

"Whenever anybody asks me about buying a diamond, I give them this book."

—Rob Bates, *National Jeweler Magazine*

Includes
Wholesalers'
Secret Pricing Charts

How to Buy a DIAMOND

6TH EDITION



Insider Secrets for Getting
Your Money's Worth

FRED CUELLAR

Diamond Advisor to the *Wall Street Journal*, *Us Weekly*, *Newsweek*,
Cosmopolitan, *InStyle*, the *Washington Post*, and MSNBC

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Orlando Sentinel

"The book enables a person to walk into a jeweler's store with confidence and to walk out with the right diamond at the right price."
Argus Press

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"Pure genius!" Erno Rubik, inventor of the Rubik's Cube

"Simply fantastic!" Jim Harris, cofounder, Compaq Computers

"He's what people are talking about." *USA Today*

"He knows more about diamonds than I know about romance!"
Greg J.P. Godek, author of *1001 Ways To Be Romantic*

"Saved me thousands on my diamond purchase!" Doug Brown,
Hoboken, NJ

How to Buy a Diamond

*Insider Secrets for Getting
Your Money's Worth*

Fred Cuellar



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Dedication

*This book is dedicated first to my mother and father.
This book would not have been possible without their love and support.*

*Second, I dedicate this book to every man in love and doing his best to
make the love of his life happy by buying the perfect diamond.*

*Third, and most of all, I dedicate this book to the love of my life,
LaTeace. She makes life worth living and I could not imagine a better
companion with whom to spend all the days of my life.*

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Preface

Buying a diamond may be one of the most important purchases of your life. Think of it. If you are a man, you're probably selecting a diamond to present to your bride-to-be as a shining symbol of eternal love. Only a diamond can say it all: your love for her is clear, pure, brilliant, perfect, and indestructible. If you're a woman buying a diamond for the most important man in your life, the symbolism is much the same. The diamond says, "You are the one."

For most people, the engagement ring is the first—and surely the most important—diamond they will ever buy. Selecting the right diamond, therefore, is a big responsibility. Let's make sure you get it right!

Yes, diamonds are romance, the highest expression of love, glamour, elegance, wealth, and refinement. (No one ever sang, "cubic zirconias are a girl's best friend!") But diamonds can also be viewed as a commodity. There are different grades of diamonds, and each grade has a different value. And—very importantly—dealers are trying to make as much money from you as they can. You know the old expression, "A fool and his money are soon parted." Nowhere is that more true than in the diamond market. Diamond dealers can fool you in a hundred ways. Don't be fooled! In this book, I'll teach you how to judge diamonds so that when you make that all-important purchase, you get your money's worth.

Charlie's Gift

One day a few years ago I boarded a jetliner in Houston, bound for New York. When I had stowed my carry-on bag and buckled myself in, I looked over to see who I had for a seatmate. I saw a small, elderly lady, sitting straight and prim in her seat, clutching her handbag and trying very hard not to appear concerned. I guessed this lady had not flown often in her life. I leaned over and reminded her gently that she would have to stow her handbag before takeoff.

"Oh, thank you," she said. "I'm a little nervous, to be quite frank. I've never flown before."

I asked her why she was travelling to New York.

"Well," she said with a sigh, "I'm going to live with my daughter. She's meeting me at the airport. You see, my husband of fifty-five years passed away recently and my daughter doesn't want me living alone."

I offered condolences and, trying to brighten her up, I said she was lucky to have enjoyed such a long marriage.

“Thank you. Yes, I was fortunate. We had a good marriage, and now it seems like the time went by so fast...seems like just yesterday we were saying our vows.” She was quiet for a long moment, replaying some cherished moments of her married life, before she returned to our conversation.

“And what about you?” she asked. “Why are you going to New York?”

I told her I was in the diamond business and was going there to close a deal on some diamonds.

“Oooh, diamonds!” Her lined face brightened. “Charlie—that was my husband—always said I’d have a diamond one day. When we got married all we could afford were the wedding bands. Then came the children, and with one thing or another we never did have enough money for luxuries. Every anniversary Charlie would say, ‘My dear, next year we’ll get you that diamond!’ But now there is no next year.”

She bowed her head and tried not to let me see the tears, but eventually she had

to dab them away with a handkerchief tugged from the pocket of her old coat.

In that moment, this sweet woman's tears revealed to me why I was on that plane, sitting beside her. I asked her name.

"Evelyn," she told me. "Evelyn Benson."

"Well, Evelyn," I said, "my name is Fred Cuellar and I just realized that Fate has brought us together. What is your ring size?"

"I—I don't know, really," she stammered. "Why?"

"Because I am here to give you your diamond ring. Charlie had something to do with seating us together. I'm sure of it." I guessed her ring size at about a six; I had a grin sized Extra Large at this point.

"But I can't afford it," she protested. "We never could."

"Evelyn," I told her, "I am not selling you a diamond ring. I'm giving it to you, at Charlie's request."

Well, that made her cry even more, but the tears were happier now, and she

gave me a big hug when we parted company at JFK airport.

When I got back to Houston I put together a modest, but very nice, diamond engagement ring and mailed it to Evelyn at the address in upstate New York she'd given me. Putting that package in the mail made me feel like a million dollars. No, better than that.

Six months later I received a small package at my Houston office. When I opened it, I found the diamond ring I'd sent to Evelyn Benson. With the ring was a note from her daughter:

"Dear Mr. Cuellar, I'm returning the ring which you so graciously allowed my mother to wear for the last six months. Not a day went by that she didn't show it to someone, proud as can be. She told people it was a gift from her late husband Charlie (my Dad). I'd never seen her as happy with anything in my life. My mother passed away last week, so I am returning your ring with many thanks for the joy you brought my mother. Sincerely, Jane Adams."

Foreword

by Gregory J.P. Godek

I'm proud to introduce you to Fred Cuellar. He's not only a jeweler, he's an educator. He not only advises the Saudi royal family on their gemstone investments, he also advises guys buying their first diamond engagement ring. He not only runs a cutting house, he's an outrageous entrepreneur. He's not only the creator of the most expensive toy in the world (the \$1.2 million 15th Anniversary Rubik's Cube), he's also the creator of simple yet elegant diamond engagement rings. He's not a typical, quiet jeweler. He's a frequent guest on radio and TV, including *The Today Show*. He not only creates jewelry for Harley Davidson, many professional sports teams, and lots of celebrities, he also creates jewelry for regular folks like you and me. He's not only a sought-after lecturer, he's also now a bestselling author. He's not only the creator of the 1996 Superbowl rings for the Dallas Cowboys, he's also the creator of diamond rings that grace the hands of thousands of men and women throughout the world. He's not just any jeweler; he's a maverick who imports his own diamonds. He's not only a creative genius when it comes to jewelry, he's also a sensitive advisor who understands people's feelings as they make a very emotional and meaningful purchase. And, he's not only recognized as one of the world's leading diamond experts, he's also a regular guy.

You'll learn all this as you read this awesome book. You'll also learn how to be a wise and discriminating diamond customer, a person who won't be intimidated by jewelers or diamond brokers—or by friends who think they know all about diamonds. You'll learn how to choose the perfect diamond: one that reflects your love (as well as your newfound knowledge of diamonds!). And you'll learn how to save money in the process. That's a lot to get out of one little book, isn't it?

Fred's book speaks for itself, but I'd like to add my personal guarantee. I guarantee you that the right diamond for your loved one will have a significant impact on your relationship. Diamonds really are the perfect gift of love.

Congratulations on acquiring this book. You will find that it is not only a great investment, but it is also fun to read, easy to understand, and at the same time wise and witty. Enjoy!

~ Gregory J.P. Godek
author, *1001 Ways To Be Romantic*

Introduction

My first experience with diamonds, long before I became a gemologist and diamond merchant, happened for the best of all reasons: I was a young man in love, with a burning desire to offer my bride-to-be a diamond ring and ask for her hand in marriage. It seemed simple enough. Between college classes I would stop by a jewelry store, select a diamond worthy of my beloved, and be on my way. I thought it would be easy—and it was, until I glanced at my first price tag.

After I was resuscitated by the jeweler, I realized this wasn't going to be as easy as I thought. The only “rock” I could afford then was one I could pick up off the ground.

That experience, however, led to a management trainee position with a major jewelry chain, followed by an opportunity to run a jewelry store. Then I became a wholesaler, and over time my business evolved into what it is today, where I can practice what I preach about buying and selling diamonds.

Keeping in mind my own first experience with diamond buying, I have always tried to teach my customers everything they should know before making their purchase. If you were planning to buy a

new car or a washing machine, you'd probably read *Consumer Reports* to educate yourself before the purchase, and you'd at least want to kick the tires and look under the hood before putting your money down. That's what this book is all about. It puts you in charge of the transaction by showing you how to tell one diamond from another, what makes a diamond expensive, and what "investment grade" diamonds are. I'll also show you the tricks of the trade, how to avoid shysters—in short, how to get the most for your money.

When I first published *How to Buy a Diamond*, it created quite a stir. Honest diamond dealers—and there are many—loved the book. They said to me, "Fred, we've needed this for a long time, because it's hard to compete with dealers who cheat." The *dishonest* diamond dealers—and there are many of them, too, unfortunately—hated the idea of educating consumers, of revealing the "tricks of the trade." They were the ones who made threatening phone calls, who vowed to put me out of business. "You can't do this," they warned. "You can't let the suckers (that's *you*) see behind the curtain. You'll ruin us!" So of course they threatened to ruin *me* instead, and even went so far as to make attempts on my life! Things got so bad I had to hire a bodyguard to stay at my side for a couple of years. During that time, a lot of people saw me on TV, heard me on the radio, read about me in their newspapers—and bought my book. Becoming well-known made me harder to threaten. Now I'm the jeweler to the Super Bowl Champion Dallas Cowboys and Denver Broncos, and service the diamond needs of nineteen other pro sports franchises. I supply two hundred jewelers with their diamonds and colored stones, supply replacement diamonds for three major insurance companies, and I'm one of just two suppliers

of diamonds to the Saudi royal family. But I also provide fine diamonds to private clients, individuals who may be just like you. And what matters most to me is that I've helped thousands of ordinary people get diamonds at fair prices. Helping you get a good deal on a diamond is just as important to me as creating a ring for baseball star Roger Clemens, because it takes me back to when I was a young man in love, shopping for an engagement ring.

Read my book. Call my HelpLine if you have questions. And walk through your jeweler's door with confidence that you'll walk out with the right diamond at the right price.

The Shortcut

Although this book has been written and designed for ease of use, I realize that some of you may be in a bit of a hurry. If you just need a crash course on what quality diamond to buy—or want a quick refresher course on the rest of the book before you head out the door to the jeweler—go directly to chapter 2 and read the section, “What Kind of Customer Are You?” Following the recommendations in that chapter:

- go to a reputable jewelry store
- request the quality you have selected
- get an independent appraisal guaranteeing your selection, and then you are done

Remember, if at any point in the buying process you feel overwhelmed, intimidated, or underinformed, you can always come home and read the chapters relating to your questions. In fact, you might just want to keep this book in the car!

B.E.S.T.

What are the four things all consumers need to do to get their B.E.S.T. start before buying the perfect diamond?

Budget—Figure out what you have to spend, and stick to it. One month's salary is a good guideline.

Expectations—Listen to her. Try to understand her expectations (her needs and wants) so you will have a feel for what to pick out.

Savvy—Become savvy! Know what any given diamond should cost and what the best qualities are to wear. Knowledge is power. You will never win the race without training.

Timetable—Figure out when you want to give it to her and do not rush. Haste makes waste. Give yourself enough time to study up, shop around, and plan the perfect proposal.

The 4 Cs

Clarity, Color, Cut & Carat Size

Diamonds have been prized through the ages for their beauty and rarity. How beautiful—and how rare—they are is determined by the four Cs. First, let's define them.

<i>The Four Cs</i>			
<i>Clarity</i>	<i>Color</i>	<i>Cut</i>	<i>Carat Size</i>
This indicates how clear the diamond is, how free from blemishes and other imperfections.	Diamonds are found in a variety of colors, but in general, the whiter the better.	This refers to not only the shape of the stone, but its proportions, factors which determine the sparkle of the diamond.	This is actually the weight of the stone, not its dimensions.

The price you'll pay for a diamond depends on the four Cs. They determine what I call the fifth C: Cost.

What is a Diamond?

Diamonds are pure crystallized carbon, often containing minor traces of impurities. Diamonds are formed at very high pressure and very high temperatures deep in the earth, and diamond is the hardest natural substance on earth.

Before we learn how to grade the quality of a diamond and determine what it should cost, let me share some acquired wisdom about diamond buying. Don't ever lose sight of the fact that you're probably buying a diamond to make the love of your life happy. If you ask a woman what she'd like in a diamond, she's not going to say, "Honey, I want a one-and-a-half carat, VS1, F(1) in a Class II cut." (If she does, better rob a bank—this woman's going to be expensive!) What she will say is something like, "Honey, I want it to be big, clear, white, and sparkly." It's your job to take those general adjectives, translate them into diamond grades, decide on a stone, and get your money's worth.

Remember: *Focusing on only one C will rarely satisfy anyone. You can buy a one-carat diamond for a few hundred dollars if you ignore color, cut, and clarity. The idea is to find a balance.*

Also Remember: *Never buy a diamond that's already in a setting. The setting makes it almost impossible to examine the stone carefully. Buy the diamond first, then decide what setting to put it into.*

The Hope Diamond

One of the most famous diamonds in history, the Hope diamond, came from India and weighed $112 \frac{3}{16}$ carats when it was acquired around 1642 by French merchant Jean Baptiste Tavernier, who was struck by its “beautiful violet” color. He sold it to the King of France, Louis XIV, who had it recut to a $67 \frac{1}{8}$ carat stone. The blue diamond passed through ownership by French and British royalty, famed jeweler Pierre Cartier, and U.S. socialites before it was purchased by jeweler Harry Winston along with the 94.8 carat Star of the East diamond, in 1949. In 1958, Winston donated the Hope diamond to the Smithsonian Institution, where it quickly became a star attraction.

Resettings and recuttings over the centuries reduced the Hope diamond to its present 45.52 carats, 40% of its original size. Today, it is set in a spectacular pendant surrounded by sixteen white diamonds, and still attracts countless admirers at the Smithsonian.

Carat Weight

When you ask someone what they want in a diamond, usually the first thing they'll say is "big." So let's talk first about carat weight.

What is a "carat"? We already know it's a measure of weight, not size, but it's also a word with a fascinating history. Carat is derived from carob, the bean that's often used as a chocolate substitute.

Carob trees grow in the Mediterranean region, and in ancient times a diamond of one carat, or carob, was equal in weight to a single bean, or seed, of the carob tree. In the Far East, rice was used—four grains equalled one carob bean. Eventually the carat was standardized at 200 milligrams ($1/5$ of a gram), and the grain was standardized at 50 milligrams. Sometimes you will hear a diamond dealer refer to a one-carat diamond as a "four-grainer."

Diamond Factoid

Seventy-six percent of all new brides in the United States will wear a diamond ring; 4.6 percent of these rings will be inherited.

Diamond weights are also referred to in points. One carat equals 100 points, so a 75-point diamond would weigh $3/4$ of one carat. (It's not a diamond with 75 points on it, as some people think!)

The “Magical” One Carat

You’ve no doubt heard or seen the marketing slogans, “A diamond is forever”; “Say you’d marry her all over again with a diamond anniversary ring”; and, “A one-carat diamond is one in a million.” These all come from ad campaigns by DeBeers, the world’s largest diamond conglomerate. Through their clever marketing, they have established the one-carat diamond as the minimum size to buy.

20 Percent Rule

Question: If you’re looking at two diamonds of the same shape and quality, how much larger does diamond B have to be than diamond A to look bigger?

Answer: When you have two diamonds of the same shape and quality and want one of them to look noticeably larger than the other one, it must have a minimum of 20 percent more in carat weight. This is known as the 20 Percent Rule.

That’s one reason for the substantial price jump when a diamond reaches one carat. Another reason is that a good one-carat diamond is one in a million. But don’t be swayed by advertising. There’s no magic in size, and the average diamond purchased in the U.S. is 38 points—just over $1/3$ of a carat.

Clarity

The clarity of a diamond depends on how clear or “clean” it is—how free it is of blemishes and inclusions, when viewed with the naked eye and with a 10X loupe, or magnifier. Let’s define our terms.

Blemishes - Imperfections on the outside of a diamond.

Chip: A little piece missing, caused by wear or the cutting process.

Scratch: A line or abrasion.

Fracture: A crack on the diamond’s surface.

Polishing lines: Fine lines on the stone’s surface formed during the polishing stage.

Natural: An unpolished part of the diamond.

Extra facets: Additional polished surfaces that shouldn’t be there and spoil the symmetry of a diamond.

Bearding: Very small fractures on an edge of the diamond.

Big Diamonds

The biggest diamond ever found in the world is the Cullinan diamond from South Africa: 3,106 carats.

The biggest diamond ever found in the United States is the Uncle Sam from Arkansas: 40 carats.

On May 17, 1995, a flawless 100.10 carat diamond was sold by Sotheby’s in Geneva for \$16.5 million, the highest price ever paid at auction for a diamond.

Inclusions - Imperfections inside a diamond.

Carbon: Black spots inside a stone.

Feather: Internal cracking.

Crystal: White spots inside a stone.

Pinpoint: Tiny spots, smaller than a crystal.

Cloud: A group of pinpoints, which may give the impression of a single large inclusion.

Loupe - (pronounced “loop”) A small magnifying glass used to view gemstones. Any good jeweler will let you use one, and show you how. They should be 10X, or 10-power magnification, and the housing around the lens should be black so as not to distort the color of the stone. The Federal Trade Commission requires diamond grading to be done with a 10X magnifier, and any flaw that can't be seen under 10X magnification is considered nonexistent.

Here are the clarity grades of diamonds, as established by the Gemological Institute of America (GIA):

Flawless

Free from inclusions and blemishes when viewed under 10X magnification. *Very rare and very expensive.*

Internally Flawless

Free from inclusions; may have slight blemishes when viewed under 10X magnification. *Also very rare and very expensive.*

VVS1 and VVS2 (Very, Very Slightly Included)

Has minute inclusions or blemishes the size of a pinpoint when viewed under 10X magnification. *Rare and expensive.*

VS1 and VS2 (Very Slightly Included)

Has inclusions or blemishes smaller than a grain of salt when viewed under 10X magnification. No carbon, fractures, or breaks. *High quality.*

SI1 (Slightly Included)

Has inclusions or blemishes larger than a grain of salt when viewed under 10X magnification, and these inclusions can be carbon or fractures. Almost all SI1 diamonds are “eye-clean,” which means the flaws can’t be seen with the naked eye. *Good quality.*

SI2 (Slightly Included)

Has inclusions or blemishes larger than a grain of salt when viewed under 10X magnification, and some of these flaws may be visible to the naked eye. *Borderline diamond.*

I1 (Imperfect)

Has inclusions and blemishes visible to the naked eye. Commercial grade. *Not my taste!*

I2 (Imperfect)

Has inclusions and blemishes visible to the naked eye that can make as much as one-fourth of the diamond appear cloudy and lifeless. *Same as above.*

I3 (Imperfect)

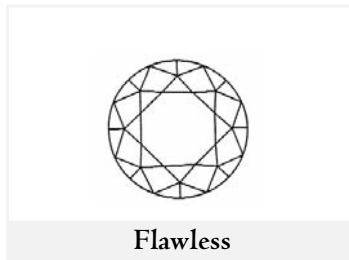
Has many, many inclusions and blemishes visible to the naked eye. Not a pretty diamond. Very little luster or sparkle. *Bottom of the barrel.*

***Fred's Advice:** Aim for an SI1 diamond. Many people unwittingly buy I1 and I2 stones, but if you shop carefully, you can buy an SI1 stone for the same price that most I2 stones are sold for.*

How to Spot Clarity Grades

*Note: All plottings that follow show what inclusions and blemishes look like in the different clarity grades when viewed under 10X magnification. *Actual color photographs of inclusions and blemishes can be found at the photo gallery online at my website www.thediamondguy.com.*

In the plotting of the **flawless** diamond, you will notice there are no marks, meaning the diamond has no inclusions or blemishes.



In the plottings of the internally flawless diamond, there are no inclusions. But you will notice the slight markings representing slight blemishes.



IF (Internally Flawless)

Scratch



IF (Internally Flawless)

Polishing Lines

In the VVS plottings, you'll see some very minor inclusions and blemishes.



VVS1

(Very, Very Slightly Included)

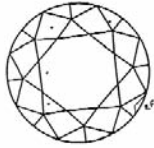
Pinpoint



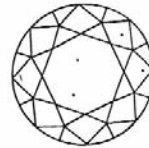
VVS1

(Very, Very Slightly Included)

Pinpoints, Extra Facet



VVS2
(Very, Very Slightly Included)
Pinpoints, Extra Facet



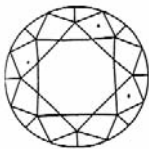
VVS2
(Very, Very Slightly Included)
Pinpoints, Scratch, Bearding

Important Note: An untrained person will have a very difficult or impossible time trying to find the inclusions or blemishes in a VVS1, or VVS2, internally flawless, or flawless diamond. Unless you're a gemologist, don't expect to. These top four grades will appear, to the average person, perfectly clean. You should only be purchasing one of these grades if you're buying the diamond for investment purposes. In my opinion, these grades are too high a quality to be worn. That would be like circulating a proof coin: it would ruin your investment.

Diamonds can get abrasions or even chips through normal wear and tear. Some people find this hard to believe. They say that since a diamond is the hardest thing in the world, that must mean it's very tough and cannot be damaged. The truth is that even though a diamond is hard (hardness being a stone's resistance to being scratched, and the only thing that can scratch a diamond is another diamond), that doesn't mean a diamond is tough (toughness being a stone's resistance to breakage). You see, a diamond can cleave in four directions, meaning it can be damaged.

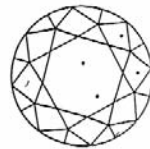
A diamond is the hardest thing in the world, but not the toughest. I don't recommend wearing the highest clarity grade diamonds, because it is possible for someone to buy a VVS, or flawless diamond, and through normal wear lower the clarity grade to a VS or even SI grade.

In the VS plottings, the pinpoints become a little easier to see. Also, we start to see some of the other types of inclusions and blemishes.



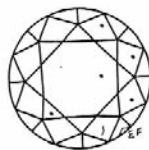
VS1
(Very Slightly Included)

Pinpoints



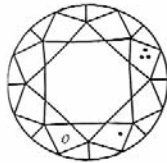
VS1
(Very Slightly Included)

Pinpoints, Bearding, Small Feather

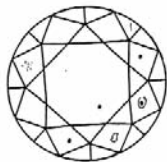


VS1
(Very Slightly Included)

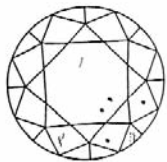
Pinpoints, Extra Facet, Small Feather



VS2
(Very Slightly Included)
Pinpoints, Crystal



VS2
(Very Slightly Included)
Pinpoints, Crystal, Cloud, Scratch



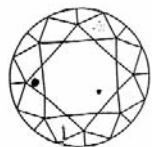
VS2
(Very Slightly Included)
Pinpoints, Crystal, Feathers, Scratch

In the SI plottings, we start to see larger crystals, pinpoints, feathers, and the introduction of carbon.



SI1 (Slightly Included)

Feather, Pinpoints



SI1 (Slightly Included)

Cloud, Feather, Carbon, Pinpoint



SI1 (Slightly Included)



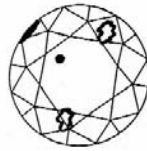
SI2 (Slightly Included)

Crystals, Carbons, Fractures, Pinpoints



SI2 (Slightly Included)

Pinpoints, Carbon, Feather, Crystals



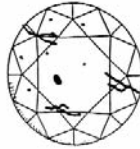
SI2 (Slightly Included)

Chip, Carbon, Crystals

In the imperfect plottings, I get an opportunity to really do some drawing! You will see every type of inclusion and blemish in these grades.



I1 (Imperfect)



I1 (Imperfect)

*Carbon, Pinpoints,
Fracture, Bearding*



I1 (Imperfect)

*Carbon, Crystals,
Bearding, Extra Facets*



I2 (Imperfect)
*Pinpoints, Major Feathers,
Carbon, Fractures*



I2 (Imperfect)
*Carbon, Major Feathers,
Chips, Clouds*



I2 (Imperfect)
*Crystals, Chips, Clouds,
Carbon, Fractures*



I3 (Imperfect)

*Chips, Carbon, Major Feathers,
Crystals, Pinpoints*



I3 (Imperfect)

*Major Feathers, Bearding,
Crystals, Clouds, Fracture Chips*



I3 (Imperfect)

*Clouds, Crystals, Pinpoints,
Carbon, Fracture Chips*

Fake Grade

European Gem Laboratory recently introduced a “new” grade of diamond. They call it an SI3. All it really is, is an I1 diamond with a PR agent! If someone tries to sell you an SI3, don’t be fooled. It’s just an imperfect stone.

Color

Diamonds come in virtually all colors of the rainbow, from the “beautiful violet” of the Hope diamond to shades of blue, brown, gray, orange, etc. But colored diamonds are very rare and precious. Chances are, all the diamonds you’ll see in your diamond shopping will be white or yellow, and the whiter the better. The yellow color in diamonds comes from nitrogen, and as a rule, the more yellow the stone, the less value it has. There’s a good reason for this. The yellower the stone, the less sharp and sparkly it appears. A whiter stone lets more light pass through it, making it sparkle and shine. The exception to the rule is the canary diamond, which is a beautiful bright yellow and very expensive.

Over the Rainbow

Colored diamonds are created the exact same way that colorless diamonds are created—under high temperature and pressure. The difference in the creation of what some believe to be the world’s most valuable commodity is different for each color of the rainbow.

Over the Rainbow

Yellow Diamonds—Also known as “canaries.” Mother Nature’s addition of nitrogen atoms sprinkled into the diamonds’ lattice (approximately one hundred nitrogen atoms per one million carbon atoms) can cause the yellow color. That, combined with turning up the furnace to temperatures of over fourteen hundred degrees Celsius, agitates the nitrogen atoms in such a way that they dance around the interior of the crystal forming groups which alter the color from colorless to yellow. A top of the line canary yellow diamond can easily run \$30,000 per carat.

Pink Diamonds—Pink diamonds have been around for hundreds of years, dating back before the fifteenth century. However, their presence seemed imperceptible due to their scarcity. It wasn’t until the opening of the Argyle Diamond Mine in Australia in the 1980s that there was a sufficient supply to market them on a worldwide scale. The color of a pink diamond is due to a microscopic imperfection at the atomic level. No trace ingredient here, but rather an irregular growth pattern at a sub-molecular level. Fancy pink diamonds typically go for \$100,000 per carat, with deep pinks easily running the gamut to over \$250,000 per carat.

Blue Diamonds—The secret ingredient behind some of the world’s most renowned diamonds, like the Hope Diamond in Washington DC’s Smithsonian Institute, is boron. Just as nitrogen was stirred into the mix of the canary, boron gas turns a white diamond blue. Blue diamonds are one of the rarest colors of the rainbow, fetching prices from \$100,000 per carat to \$664,675 per carat, as was paid for a 13.39 carat fancy deep blue at auction in 2008.

Over the Rainbow

Green Diamonds—As we continue to climb the scale of the world's most valuable colored diamonds, we find green coming in second place. With prices that range from \$500,000 per carat to \$750,000 per carat, green diamonds owe their beautiful color to high-energy gamma or neutron radiation (not alpha or beta). The Ocean Dream, a 5.51 carat modified triangular brilliant by Cora Diamonds Corporation, is a classic example of the magnificence of Mother Nature on a good day.

Red Diamonds—Red diamonds are atop the food chain when it comes to the world's most expensive bauble. Ranging upwards to almost \$1 million per carat (The Hancock Red set a world record of \$926,316 per carat), these rocks aren't for the light of wallet or the impatient. Like the pinks, their atomic structure is imperfect. But if nature hadn't gone amok, we wouldn't have the handful of samples available to study. There are currently clients that have been waiting over fifteen years in line to get the next red when it hits the market.

Some people are more sensitive to the color of diamonds. What may appear slightly yellow to you may look clear to another person, so it will take a higher color grade to satisfy you.

The best way to judge the color of a diamond is to compare it to a master set or a colorimeter. (See "Color Typing" section for more information on colorimeters.) A master set of diamonds has been graded in a laboratory. A colorimeter is a device that grades the diamond automatically without the need of human eye participation.

Either ask the jeweler for a set and compare the diamonds you're thinking of buying with the diamonds in the master set, or have the jeweler place the diamond in the colorimeter to get an accurate grade.

***Fred's Advice:** Go for grades H or I. Once mounted they'll look just as good to the average person as the higher grades, without costing a bundle. The average diamond purchased in the U.S. is color grade M or N, but the customer is usually told it's higher.*

Here's the GIA Color Grading Scale:

D, E, F	Colorless
G, H, I	Nearly colorless
J, K, L	Slightly yellow
M, N, O	Light yellow
P, Q, R, S, T,	
U, V, W, X	Darker yellow
Z	Fancy colors

Even though there are several grades in each category, there are slight differences between the letter grades. D is the whitest and most valuable, X is a dingy yellow and least expensive. Z grade and beyond—colored diamonds—are the rarest and most expensive.

Color Typing

Let's start this piece by asking what might, on the surface, seem like a very simple question: shouldn't two diamonds of the exact same weight, same clarity, same color, exact same proportions, non-fluorescent, same purchase date, same lab grading report date, both bonded with the exact same markup, cost the same? Well, if you ask the labs or check

with any of the major price guides like Rapaport, the answer would be a resounding yes.

But pick up your phone, visit your local jeweler, or surf the web and I promise you that you'll find twins that are not the same price. In fact, not only are they not the exact same price but, in some cases, they're not even close. You'll even find two identical diamonds at the same location with totally different prices. Why? How can this be? It's true that not all SI1s are created equal. Some have centralized inclusions, while others have perimeter inclusions, making those SI1s more desirable and valuable. But what about the VSs? I can honestly tell you I've never met a VS diamond I didn't like. So where's the answer? The answer is in the color. What the industry has been aware of, but hasn't shared with the rest of the world, is "color typing."

In the spring of 1999, a wonderful gemological color-grading device hit the market. What I'm talking about is the Gran Fall Spectrum Colorimeter DC2000fs by Gem Instruments. For the first time, we can actually prove that not all Hs, Gs, or Fs are created equal. This new colorimeter is so precise that we can actually break down each color grade into five color types. For example, instead of asking someone what color a diamond is, we should ask what its color and type is. Example: an H can be an H(1), H(2), H(3), H(4), or H(5) (H(1) being the best borderline G, while H(5) is a borderline I color). When you combine colors and types with grade bumping (see page 195), two diamonds can have the perception of being the same, but be from different parts of the rainbow.

When will the labs start breaking down each color into types? Who knows! I know the price guides won't be the vanguard until at least one lab steps up to tell us that not all identical diamonds of the same color are created equal. Naturally an F(1) should cost more than an F(5). But if the labs won't tell you, how can you determine a diamond's color and type without their help? It's easy—have the store run a colorimeter tape and attach it to the appraisal so you will know if your G is a strong G or a weak one. Make the sale contingent on an independent appraisal that agrees with the colorimeter tape. I wish the labs did color typing since the technology is now available, but color typing is just not profitable for labs. Jewelers are naturally going to send their stones for evaluation where they get treated the nicest and the labs are the least critical. That's why there are five European Gemological Laboratory (EGL) or International Gemological Institute (IGI) lab grading reports out there for every one Gemological Institute of America (GIA) lab grading report. The labs may never recognize color typing, but that doesn't mean jewelers don't have access to colorimeters. Knowledge is power. As the buyer, you have every right to know a diamond's color and type. Just ask.

Quick and Easy Grading Tips

Clarity

- 1) If you can see any inclusions or blemishes with your own eyes, the diamond is no better than I1.*
- 2) With a 10X loupe, if you see any black spots, cracks, or anything larger than a grain of salt, the diamond is no better than SI1.*
- 3) With a 10X loupe, if you can see nothing wrong with the diamond, only then could it be a VSI or VS2 or higher.*

Color

Take a pure white business card. Fold it in half. Lay the diamond table down in the crease. If you pick up any yellow the diamond is no better than K.

More About Color: Fluorescence

Fluorescence is a diamond's reaction to ultraviolet (UV) light. Some diamonds glow in different colors under UV light, and the general rule is to avoid them. If you put a diamond under UV light and it glows strong blue, the diamond may look dull in sunlight. Diamonds with strong fluorescence may be worth up to 20 percent less than diamonds that do not fluoresce. Faint fluorescence that doesn't fog the diamond is okay.

Diamond Myth

“Yellow diamonds are worthless.”

Yellow diamonds are worth less than white diamonds, but they still have value.

And if a diamond contains so much nitrogen that it's very bright yellow, it can be worth quite a bit. Bright yellow diamonds are known as “canary diamonds,” and they're more valuable than light yellow diamonds.

Corresponding Grading

Corresponding grading means matching clarity grades with color grades. For every clarity grade, there's a color grade that *corresponds*, or makes the best match in determining value.

Diamonds that have corresponding grading sell for higher prices originally, and they also appreciate in value more than diamonds that

don't, and therefore have higher resale value. Buying a diamond with non-corresponding clarity and color grades is like buying a pink Porsche: it's okay as long as you don't try to resell it. The market for pink Porsches just isn't as good as the market for, say, red Porsches.

Here's a list of clarity grades and their corresponding color grades. Notice that for each clarity grade there's a *perfect* match, and a high and low color that also works well.

<i>Clarity Grade</i>	<i>Color Grade</i>	<i>Annual Increase in \$ Value</i>
Flawless and Internally Flawless	D (Perfect) E (Low)	10.00%
VVS1, VVS2	D (High) E (Perfect) F (Low)	9.25%–9.99%
VS1, VS2	F (High) G (Perfect) H (Low)	8.50%–9.24%
SI1, SI2	H (High) I (Perfect) J (Low)	6.50%–8.49%
Lower	No corresponding color grades	

The value of a stone is always based on the *lowest* clarity or color grade and its highest corresponding grade. For example: let's say you purchased a stone with a clarity grade of SI1 and a color grade of G. You can see above that G is not a corresponding color for an SI1 stone. The SI1-G diamond will cost you more than the SI1-H, but will appreciate no more over time than the SI1-H.

When you *don't* correspond the grades—say, you buy high clarity and low color, or high color and low clarity—you'll never get your money back for the higher grade. For example, an SI1-F would resell no higher than the value of an SI1-H, and a VS1-I would resell no higher than the value of an SI1-I. A diamond that is *not* correspondingly graded could be expected to appreciate 2 percent to 4 percent per year.

Cut

Okay, we're three-fourths of the way to becoming diamond experts! We've learned to check the carat weight of a diamond. We know how diamonds are graded for clarity, and how to look for a diamond that's "clean." We also know that diamonds range from D to X, "colorless" to "darker yellow," on the color scale. Now we'll learn about the fourth C: Cut.

The first thing to know is that the cut of a diamond indicates more than its shape. The cut also determines how sparkly your diamond will be! It's not enough that a diamond is big and clear and white. No diamond can be truly attractive unless it sparkles, and it won't sparkle unless it's properly cut. You can buy a one-carat diamond, graded SI2 or higher for clarity, and rated J or better on the color scale, and it still won't sparkle unless the cut is good.

Diamond Myth

“Diamonds are indestructible.”

False! Diamonds are the hardest natural substance known on earth, but they are not the toughest. There’s a difference between the hardness and the toughness of materials. A sharp blow can certainly damage your diamond.

To understand what I mean, first let’s look at some shapes. Diamonds can be cut into a wide variety of shapes. Shown on the following pages are some of the most popular.

Off-Makes

This is the No. 1 problem with diamonds! An “off-make” is a poorly proportioned diamond, and no matter how white, how clean, or how big a diamond is, it won’t achieve maximum sparkle, fire, and brilliance unless it’s cut correctly. Always make sure a diamond is well-proportioned by following the Proportion Questionnaire Sheet guidelines.

Modern Diamond Cuts



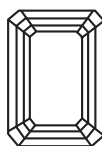
Box Radiant



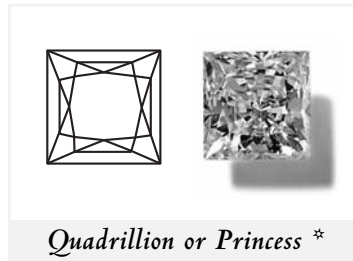
Round



*Marquise or Navette **



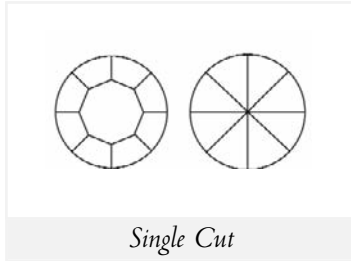
*Emerald Cut **



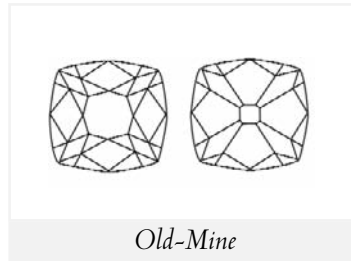
** Diamonds no longer fully bondable effective September 8, 2005.
See page 128 for more information on fully bonded diamonds.*

Old Era Diamond Cuts

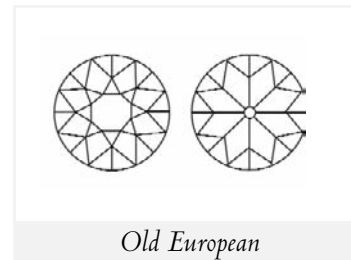
The old era or non-modern cuts tend to be off-make, or poorly proportioned diamonds.



16 or 17 facets



High crown
Deep pavilion
Large culet*



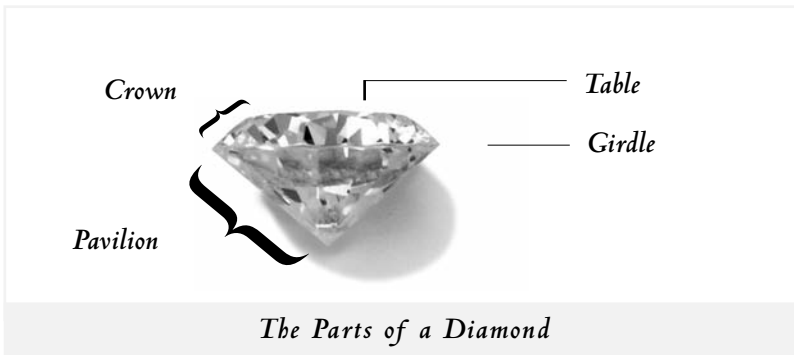
High crown
Deep pavilion
Large culet*

*Creates appearance of a hole in the center of the diamond when viewed from above.

Now that you've had a look at some diamond shapes, let's go over the parts of the cut diamond.

There are three basic parts to every cut diamond: the crown (top), the girdle (around the middle), and the pavilion (the bottom).

The crown consists of a large flat area on top called the table, and a number of facets. As the diamond catches the light, the job of the crown is to split the light entering the diamond into *white light*, which gives the stone its brilliance, and colored light, which gives it fire, or dispersion.



The girdle is the thin band around the widest part of the diamond. The function of the girdle is to protect the edge of the stone from chipping (even though diamond is the hardest natural substance on earth, it can be chipped!).

The pavilion has the most important job, which is to reflect the light that passes through the crown back into your eyes. Think of

it as a cone lined with mirrors. The light enters the diamond through the crown, splits into white and colored light, and bounces off the facets of the pavilion back up through the crown, where you see it as—*sparkle!*

But to achieve the maximum sparkle—that magic combination of brilliance and fire—the diamond must be well-cut and cut in the proper proportions. The size of the table, the symmetry of the facets, the thickness of the girdle, and the angle of the pavilion must all work together to give the diamond the sparkle you want. Let's take these areas one at a time to see how they affect the quality of the diamond.

Table

The size of the table, as a percentage of the crown, is important because it determines the amount of *brilliance*, or white light, the diamond will reflect. For example, if the table is 60 percent of the diameter of the crown, 60 percent of the light you see will be *brilliance* and 40 percent will be *fire*, or dispersion. *Avoid a diamond with a table area of 65 percent or higher.* It will give the diamond too much brilliance, and not enough fire—and the diamond will look fuzzy or foggy. (The only exception to this rule is square and rectangular cut diamonds that can have a 65 percent table. This includes all princess cuts, asschers, and radiants.)

Here's the formula:

Table area 53–60% = GREAT!

Table area 61–64% = GOOD!

Table area less than 53% or greater than 64% = AVOID!*

**except square and rectangular cuts*

So, how do you determine exactly what the table area is? It's obviously a measurement that's pretty difficult to make unless you have the right instruments. You may not be able to measure it, but from the given chart you know what it should be—*so, ask the dealer!* And tell the dealer you'll have his answer checked by an independent appraiser, so he might as well tell you the truth.

Sarin & Megascop

In previous editions of this book, from 1991 to 1998, I never made reference to the tools used to measure the angles and percentages in a diamond. Since as far back as I can remember, hand calipers and proportion comparators were all that were available. Most people refer to this type of measurement as H.E.M. (Human Eye Measurement) since good eyesight and a steady hand were required for accuracy. Well, the days of H.E.M. are over. Technology has brought us two wonderful computers that can measure all the proportions of a diamond in less than fifteen seconds and be thirty-five times more accurate. These two new mechanical marvels are the "Sarin" machine and the "Megascop." Literally all you have to do is drop a diamond into these devices' chambers and poof!, all the measurements are posted on a monitor.

Presidium Electronic Gemstone Gauge

The old standby gemstone gauge has been thrust into the digital age. Enter the Presidium Electronic Gemstone Gauge. It has a digital display and is accurate to the hundredth of a millimeter.

Facets

The typical diamond is cut with fifty-eight facets, thirty-three on the crown and twenty-five on the pavilion. On a well-proportioned stone, these facets will be uniform and symmetrical. If they are not,

the diamond's ability to refract and reflect light will suffer. Furthermore, a poorly cut diamond just won't look right to the eye. The sad fact is, *78 percent of all rounds and 92 percent of all other shapes on the market are poorly proportioned!* Poorly proportioned stones are more profitable for the dealer, because they retain more of the weight of the "rough" or uncut diamond. That allows the dealer to sell it as a bigger diamond than it should be, and get more money for it, even though it sparkles less. *Look closely! Choose a diamond that's well-cut, even if you have to search a while to find it.*

Girdle

This is a Goldilocks problem. You don't want a diamond with a girdle that's too thin, or one that's too thick—you want one that's just right! The whole purpose of the girdle is to protect the edge of the stone from chipping. A girdle that's too thin doesn't give enough protection. A girdle that's too thick *does* protect against chipping, but it doesn't look good. So you want a diamond with a medium girdle, neither too thin nor too thick. How do you tell? Look at the diamond from the side. If it looks like there's a white chalk line around the middle of the stone, the girdle is too thick. If you don't see any girdle at

Diamonds in the Rough

An uncut diamond, as it is found in nature, is called "rough." As a rule of thumb, it takes a three-carat rough to produce a good quality one-carat cut stone.

Often, poorly proportioned diamonds are the result of a diamond cutter trying to make a one-carat stone from a two-carat rough.

all with the naked eye, look at the same area of the stone with a 10X loupe. If you can't see a girdle with the loupe, it's too thin.



Shown here are diamonds with (in order) too large, perfect, and too small girdle.

Pavilion

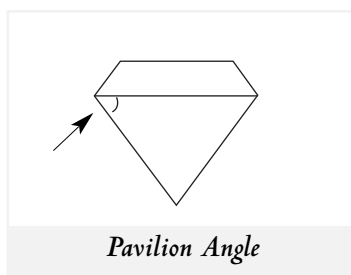
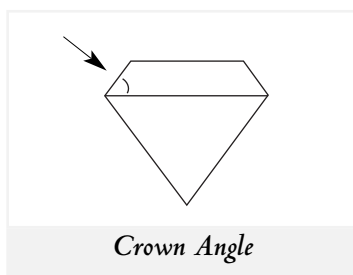
The job of the pavilion is most important of all: to reflect light into your True Love's eyes. I think it's important to understand that when you look at a diamond and see it sparkle, you're not just seeing light reflected off the surface of the diamond. The light enters the diamond through the table and the facets of the crown, passes through the diamond, and is reflected back by the facets of the pavilion.

Here's the important part: The angle of the pavilion for a round diamond must be between 40–41.5 degrees. 40.75 degrees is perfect. For marquise, pear, and ovals, the perfect angle is 40 degrees, but an acceptable range is 39.25–40.75 degrees. For emerald and rectangular cuts, perfect is 45.05 degrees and an acceptable range is 43.3–46.8 degrees.

If the pavilion angle is not exactly right it will not reflect the light properly, and the diamond won't have the sparkle it should. In a round diamond, there's a dramatic loss of sparkle if the angle is even a tenth of a degree above 41.5 or below 40 degrees. In a marquise, pear, or oval, maximum sparkle is achieved with a 40 degree pavilion angle, but the angle can be increased or decreased by as much as three-fourths of a degree with only a 10 percent loss

of sparkle. Emerald and rectangular cut diamonds have the widest allowable variance of 1.75 degrees. Each extreme will also cause a 10 percent loss of sparkle.

As I mentioned, 88 percent of fancy shapes are poorly cut. A great many people in the diamond industry believe that if that many are cut wrong, it must make it right. It doesn't! Some even argue that the angle can't be accurately measured on a fancy shape. Wrong! You simply measure the pavilion angle at the diamond's widest point. GIA has relaxed its guidelines for fancy shapes, but you and I have not! Insist on the correct angle, and if you don't get it, keep looking.



Buying Tip

If a diamond dealer can't (or won't) answer your questions, assume the worst!

For example, if the dealer can't tell you the girdle thickness, assume it's too thin or too thick. If the dealer can't tell you the crown angle, assume it's below 32 degrees and the diamond is spread-cut.

Crown Angle

The angle of the crown is also important, but it doesn't have to be quite as precise as the pavilion angle. *The angle of the crown should be 32–35 degrees.* If it's smaller than 32 degrees, the diamond is what we call "spread-cut." This makes the table area too large and the girdle too thin, and we already know what problems that causes.

If the angle of the crown is *above 35 degrees*, it makes the diamond "top heavy." This results in a smaller diameter, making the diamond look smaller than it really is. The last thing you want is a one-carat diamond that looks like a 3/4 carat!

Warping

Is it possible for a diamond to have more than one crown or pavilion angle? You bet! Now here is the million-dollar question: When a lab report or appraisal is done, which crown and pavilion angle are you given? Are you given the best one? Probably. In an ever-competitive race for your dollar, the cutter, jeweler, and even the appraiser can be caught up in "warping."

Warping is the placement of accurate pavilion and crown angles on a diamond, but solely in one location. The rest of the crown and pavilion angles are off. Diamonds without universal crown angles and universal pavilion angles can be very profitable for a cutter since most labs and appraisal services check for the best measurement, or at least an average, which allows a cutter to push through a Class III or IV (poorly proportioned) diamond as a Class I or II.

In purchasing your diamond, ask to have the worst angles measured—if the worst are acceptable, then surely the rest will be

as well. Or, ask for minimum and maximum pavilion and crown angles to see the extremes in both directions. This type of information can be easily found on a Sarin or Megascopes report.

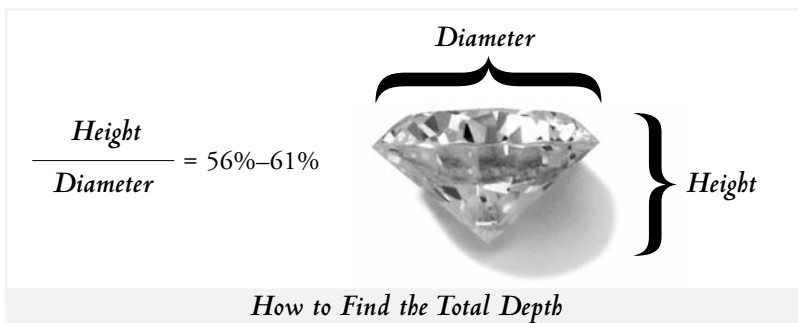
Culet

Finally, at the very bottom of the diamond—the base of the pavilion—there may be a small facet called the culet. If this facet is too large, when you look straight down through the table it will look like the diamond has a hole in the middle. *Make sure the stone has no culet or a very small culet.*

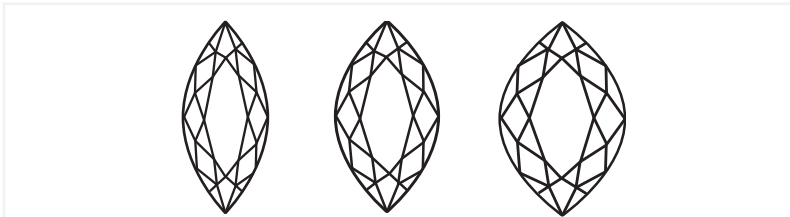
Two Other Important Diamond Measurements

Two other measurements to consider are total depth percentage and length-to-width ratio.

Total depth percentage is a simple, straightforward measurement: take the height of the stone and divide it by the diameter of the stone. For fancy-shaped diamonds, the diameter is measured at its widest part. The answer should be in the 56 percent to 61 percent range. If it's not, it means there's something wrong with the crown angle and/or the pavilion angle, or the girdle thickness. (The only exception to this rule is square or rectangular cut diamonds that can have a total depth of 65 percent.)

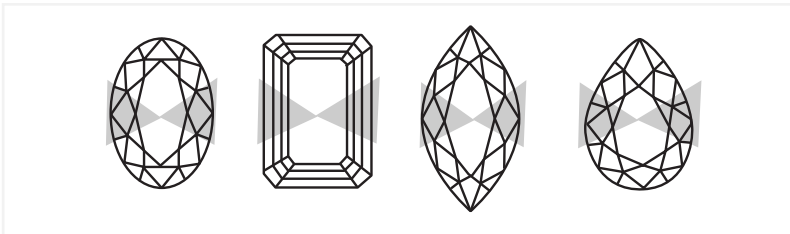


The *length-to-width ratio* is used to determine if a fancy-shaped diamond (anything other than round) is well-proportioned. For example, we don't want to buy a marquise that is so skinny it looks like a banana, or one that's so fat it looks like a football.



The length-to-width ratio: (from left to right) too long, well-shaped, too fat

Pleasing proportions aside, the length-to-width ratio also affects a phenomenon known as the bow-tie. Let me explain. *Fancy shapes are not symmetrical—only a round is.* And because fancy stones aren't symmetrical, they all have a bow-tie—two triangular shadows in the middle of the diamond where light leaks out the bottom.



The Bow-tie Effect

If the length-to-width ratio is off, it will intensify the bow-tie in the stone!

For a marquise diamond, the length should be no less than 1.75 times the width, and no more than 2 times the width. For pear shapes, the length should be no less than 1.5 times the width, and

no more than 1.75 times the width. For emerald and oval shapes, the length should be no less than approximately 1.3 times the width, and no more than 1.75 times the width.

The 65/68 Exception for Standard Radiants

My first preference in a standard radiant will always be a beautiful 65/65, 1.22 to 1 length to width ratio, 10 percent plus crown height and 45 degree pavilion angle. However, Stan Grossbard of The Original Radiant Diamond Company (his late father was one of my idols) showed me recently that by a slight adjustment of the lower mirror facets on the pavilion it was possible to use a 68 percent total depth percentage on standard radiants with an attractive outcome. The only drawback is that the higher the depth percentage, the more likely the diamond will appear smaller. I have yet to meet a woman who doesn't appreciate a bigger boat in her ocean regardless of the motion. But let's say you are in a tight squeeze and a 65/65 dream rock isn't available and the choice is a 65/68 or nothing. It has been my experience most women would rather have something over nothing.

Final note: 65/65 standard and box radiants are known as flagships.

The 65/65 Rule

The 65/65 rule refers to all square- and rectangular-cut diamonds (princess, emerald, radiant, and asscher). A diamond that is square or rectangular cut is said to be well-proportioned if its table percentage and total depth percentage are each equal or less than 65 percent of the width.

Diamond Lore

Diamonds have been treasured throughout history for their special qualities, but for most of that time they have been very rare, and available only to the super-rich. Not until after the discovery of large diamond deposits in South Africa around 1865 did diamonds become plentiful enough to be affordable to people of more modest means. In fact, now diamonds are not rare at all! The market for diamonds is carefully controlled by the big diamond cartels to keep prices artificially high.

Proportions Made Easy

GIA originally made it easier to determine if a diamond is well-proportioned by dividing all cut diamonds into four classes. Here is GIA's original Classes of Cut system. Although they have abandoned it for their new cut-grade system, I still think it's the best.

Essentially, *Class I* and *Class II* diamonds are well-proportioned; *Class III* and *Class IV* diamonds are not.

Class I diamonds are investment-quality stones, beautifully proportioned and priced to match. For a stone to be rated Class I is like getting an A+ on a test. Class II diamonds get a straight A on the same test, and if your objective is to buy a beautiful diamond to wear, Class II is fine.

Fred's Advice: Don't go below *Class II*. And if the jeweler doesn't know what the *GIA* classes are—move on!

Proportion and Price

Here's an example of what proportion can mean to price: Let's say you go to two different jewelry stores, Joe's and Mike's. They are both offering a round, one-carat, VS1, G(1) diamond.

Joe's Price: \$12,699

Mike's Price: \$10,599

Immediately, you notice that Joe's price is \$2,100 higher than Mike's. This could be because Joe is just trying to make more money on the same quality diamond. But you look more closely at the diamonds, and discover that Joe's diamond is well-proportioned, and Mike's is poorly proportioned. In this case you should buy at Joe's. You're getting your money's worth.

A poorly proportioned diamond is worth as much as 50 percent less than a well-proportioned stone.

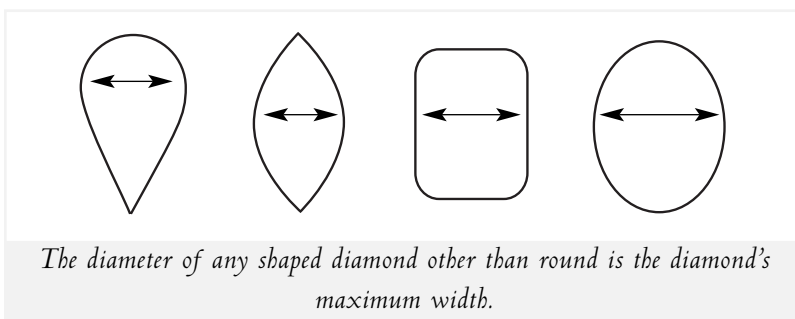
One reason for the difference in worth is that it takes a three-carat "rough," which is a diamond as it's found in nature, to produce a well-proportioned one-carat cut stone. But it only takes a two-carat rough to produce a poorly proportioned one-carat stone.

But, you say, one carat is one carat! What's the big deal?

The big deal is that a poorly proportioned diamond will not sparkle nearly as much as a well-proportioned diamond. If a diamond is poorly proportioned, only 30 percent to 40 percent of the light that enters it will reflect back up into your True Love's eyes, while a well-proportioned diamond will reflect close to 90 percent of the light. A woman wants a diamond to be "big, clean, white, and sparkly," and it won't sparkle unless it's well-proportioned.

GIA Classes of Cuts

Class I	<i>American/Tolkowsky Cut (15% above cost)*</i>
Table %	53–60% of diameter of stone for round, marquise, pear, and oval; 58–64% of diameter of stone for emerald, square, and rectangular
Total depth	59.3–61% of diameter of stone for round, marquise, pear, and oval; 58–64% of diameter of stone for emerald, square, and rectangular
Crown angle	34–35 degrees for round, marquise, pear, and oval; 33–35 degrees for emerald, square, and rectangular
Crown height	13.5–16.2% of diameter of stone for round, marquise, pear, and oval; 11.7–16.2% of diameter of stone for emerald, square, and rectangular
Girdle thickness	.7–2.7% of diameter of stone for all shapes (medium preferred)
Pavilion angle	40.20–41.20 degrees for rounds; 39.25–40.75 degrees for marquise, pear, and oval; 43.8–46.8 degrees for emerald, square, and rectangular
Pavilion depth	42.52–43.57% of diameter of stone for round, marquise, pear, and oval; 47.6–53.1% of diameter of stone for emerald, square, and rectangular



Class II	(cost)*
Table %	53–64% for round, pear, marquise, and oval; 53–65% for emerald, square, and rectangular
Total depth	56–61% for round, marquise, pear, and oval; 56–65% for emerald, square, and rectangular
Crown angle	32–35 degrees for all shapes
Crown height	11.2–16.2% for all shapes
Girdle thickness	.7–2.7% of diameter of stone for all shapes (medium preferred)
Pavilion angle	40–41.5 degrees for rounds; 39.25–40.75 degrees for pear, marquise, and oval; 43.3–46.8 for emerald, square, and rectangular
Pavilion depth	42.31–43.89% for rounds; 41.51–43.1% for pear, marquise, and oval; 47.1–53.1% for emerald, square, and rectangular
Polish & symmetry	Good

Class III <i>(15–25% below cost)*</i>	
Table %	65–70% for round, marquise, pear, and oval; 66–70% for emerald, square, and rectangular
Crown angle	30–32 degrees for all shapes
Girdle thickness	Very thin or very thick for all shapes
Pavilion angle	Any measurement other than 40–41.5 degrees for rounds or 39.25–40.75 degrees for marquise, pear, and oval; any measurement other than 43.3–46.8 degree
Polish & symmetry	Fair to Good
Class IV <i>(50–60% below cost)*</i>	
Table %	70% and above for all shapes
Crown angle	30 degrees and below for all shapes
Girdle thickness	Extremely thin to very thin, or very thick to extremely thick for all shapes
Pavilion angle	Any measurement other than 40–41.5 degrees for rounds or 39.25–40.75 degrees for marquise, pear, and oval; any measurement other than 43.3–46.8 degrees
Polish & symmetry	Fair to Good

**Cost refers to the price guide in this book.*

The Box Radiant and Standard Radiant Exception

With the recent advancements made by Radiant Diamond Company in lower mirror facet arrangements it is now acceptable for box radiants to have crown heights range from 9 percent to 16.2 percent and standard radiants to range from 10 percent to 16.2 percent.

“The 61 Percent Factor”

(In honor of Mark Osborne)

Question: *Can a diamond whose crown angle is within tolerance of being a Class I or II, whose girdle thickness is neither very thin nor very thick, and whose pavilion angle is also within tolerance of being a Class II, actually be a Class III?*

Answer: *Yes, it is possible for the parts of a diamond to meet Class II tolerances but whose total exceeds the “61 Percent Factor.” The 61 Percent Factor is when the crown height, girdle thickness, and pavilion depth exceed 61 percent. Mathematically, 61 percent is the magical total depth percentage that a round, pear, marquise, or oval must not exceed in order to remain a Class II (Class I and Class II diamonds are well-proportioned diamonds*

and Class III and Class IV are not). Once the total depth percentage exceeds 61 percent, it can be proven very easily by taking the tangent of the crown and pavilion angles and their corresponding crown heights and pavilion depths to show how light enters critical angles in the pavilion of the diamond and leaks out to create a fish eye in round, and deep bow-tie shadows in pears, marquise, and ovals.

An avid reader of my book, How to Buy a Diamond, pointed out that I did not send this point home well enough to my readers and to visitors of my website. It is with his encouragement that I correct any omissions or explanations on this very point. With so many laboratories stating that total depths can exceed 61 percent my lack of emphasis on the importance of the “61 Percent Factor” might have left too many question marks in the minds of some of the readers of my book, website, and columns. The importance of the “61 Percent Factor” can now be placed in the limelight that it rightfully deserves.

In closing, someone once asked me how important not going over the 61 percent really was in terms of total depth percentage. My response was short and to the point. Imagine that you are 61 steps from the edge of a cliff; how big a deal is that 62nd step?

Note: Class I has an average of 91 percent light return

Class II, 88 percent light return

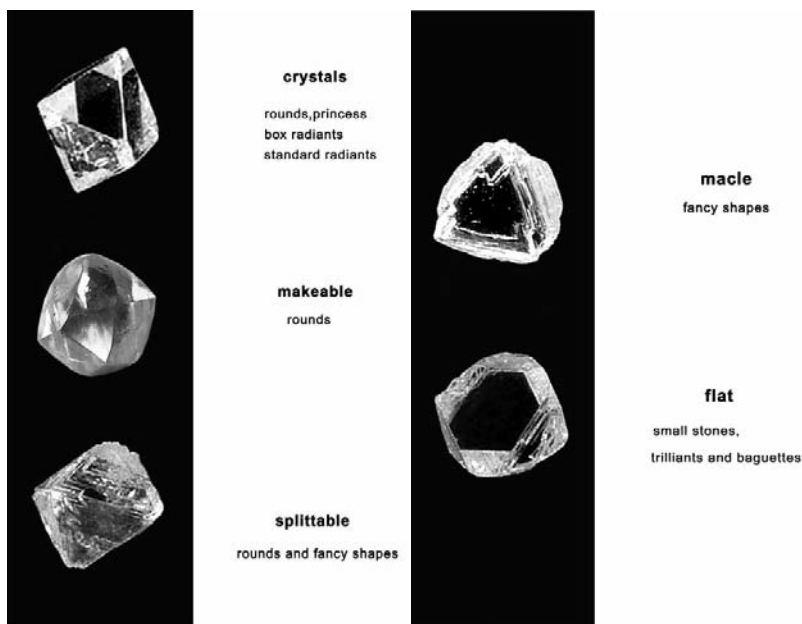
Class III, 38–39 percent light return

Class IV, approximately 32 percent

Potato Chips and Rough Diamonds?

I know you are asking yourself what on earth could these things have in common. Surprisingly a lot. First, here are the five most common rough diamond shapes.

Now to the potato chip analogy. Take any bag of potato chips. Firmly pinch both the left and right tops of the bag (right under the glued part). Now pull! See the chips? Smell the freshness (okay, freshness is not really a factor for this example but I'm trying to put you in the moment). Look in the bag. How many perfect chips do you see? Four? Five? One? An unopened bag of potato chips is like the earth before we started excavating diamonds. Now start pulling



out the chips! Start with the perfect ones, then the next to perfect ones, then the half-broken ones, and so on and so forth. After you are done pulling, what do you have left? Crumbs! Potato microchip! That's where we are in the world of diamonds now. The bottom of the bag. Those first few perfect and less broken chips (in the diamond world) we call crystals, makeables, and sawables. The chip crumbs are called macles and flats. The earth has been heavily excavated since the mid-1860s! The good stuff is gone and the world's miners are sitting on boatloads of macles and flats. They have no choice but to dump them on the market (which they have been doing now relentlessly for the last few years). Since marquise, pears, ovals, Asschers, and emerald cuts are all cut from the bottom of the

barrel and since the bottom of the barrel is being dumped over our heads, there is now and will forever be an overabundance of these fancy shapes on the market! As any economist will tell you, if supply exceeds demand, the price falls! And diamonds that can't hold their value cannot be bondable. So, as of September 8, 2005, only box radiants, standard radiants, and rounds are bondable. As everyone knows, nobody wants what everyone can have (see page 83).

Artificial Lighting

In 1955, Gemological Institute of America's (GIA) Gem Trade Lab (GTL) began issuing Lab Grading Reports for diamonds. Concept: In order to assign a value to a diamond, you need to know its quality. GIA hit a home-run by creating a standardized system for grading diamonds (the four Cs; carat weight, clarity, color, and cut). Also, with GIA as an industry watch dog, misgrading or misrepresentation by unscrupulous jewelers might be avoided.

At first, it worked. Jewelers knew that if they had a good diamond, the ideal thing was to send it in for a Lab Grading Report. Then a funny thing happened; others realized there was money to be made in having the power to bless or condemn a diamond's quality, so they started their own labs (EGL, IGI, HRD, AGS, etc.).

The word certificate (see page 151) started being thrown around and it was implied that a diamond didn't have any value without its "papers." What the public wasn't aware of was that the labs do not discriminate as to which diamonds they issue reports on. Any diamond sent in, regardless of quality, got "papers" (a Lab Grading Report) so the jeweler could reference it during the sale.

While you'll read at great length about the current validity of lab grading reports in Chapter 4, I'd like to focus on a new aspect of Lab Grading Reports that was incorporated into the reports in January of 2006 by GIA—a cut-grading system.

According to Tom Moses, GTL's vice president, computer-generated models were used to determine the most appropriate set of proportions (for round stones) to increase the amount of sparkle (brilliance plus dispersion) and scintillation of a diamond to the viewer's eyes. After the computer model calculations were done, Human Eye Measurement (HEM) was needed to solidify the predictions. It has been reported by GTL that over sixty-five thousand observations were made to quantify if human preferences matched what the

Diamond Myth

“A fancy-shaped diamond is more difficult to cut and more valuable than a round diamond.”

Actually, a fancy shape is no more difficult to cut than a round diamond, and a round diamond is generally the most expensive shape simply because of demand. Sixty-five percent of all diamonds sold are round. The emerald cut can be the least expensive because its shape is most like the natural shape of the rough—the uncut diamond.

computer light-tracing experiments predicted would be the most optimal way to cut a diamond. *Note: While sixty-five thousand observations sounds like sixty-five thousand people were used in the trial, in fact only three hundred fifty people were used. Every time they looked at a diamond, even if it was more than once, it was counted as an observation. (One million hits on a website doesn't mean one million unique visitors found the site.)* A reported two thousand diamonds were used for the calculations.

Regardless, after GTL's models suggested that the current cutting standards for "Ideal" or "Class I" were too strict, the three hundred fifty participants couldn't agree with GTL's conclusions on which diamonds were more sparkly. Instead of going back to the drawing board, GTL blamed the disagreement on poor lighting. They then cranked up the lighting until the observations matched the predictions.

This leads me to an important point; the models appear to ignore mathematicians Tolkowsky and Ditchburn's work on proportions and light return in respect to their guidelines for maximum and minimum tolerances. If larger table percentages and larger depth percentages are acceptable, it will allow jewelers to sell what was previously considered a poorly proportioned diamond as a well-proportioned one, as was first reported in the May 16, 2004, article in *National Jeweler* by Victoria Gomelsky: "When the system is introduced, it will profoundly change the way that manufacturers cut diamonds and retailers sell them. The latter are among those who are concerned about the trade's lack of preparedness for such a development. They fear that consumers accustomed to the Ideal Cut will lose confidence in the industry's ability to agree on the issue of diamonds' appearance. But supporters say a third-party

evaluation of cut will help people at all points of the supply chain sell diamonds previously considered unsalable.”

In the article “Grading the Make” by Rob Bates, formerly senior editor of *Jewelers Circular Keystone*, he writes that the only way GIA could get their numbers to jive was to choose a “standardized lighting environment!”

As you well know, you don’t live in a standardized lighting environment! We live in cloudy days and fluorescent-lit offices; sunny days and candle-lit restaurants. Any test to determine a diamond’s beauty must consist of multiple lighting environments. The diamond that averages the best under lighting conditions that range from the best to the worst should be declared the winner. That’s how a decathlete is declared the world’s greatest athlete: not because he’s best in one event, but because his cumulative score in ten events ranks him the best.

Well, GIA is undeterred. The exact parameters of GIA’s new cut-grading system are laid out in a twenty-six page article (Fall 2004) by Thomas M. Moses and colleagues, “A Foundation for Grading the Overall Cut Quality of Round Brilliant-Cut Diamonds.”

One aspect of the new system changes “class” to “category” and adds a fifth category (category five, a.k.a. bottom of the barrel) by sub-dividing Class IV into two new categories.

I just can’t sign up for the new far-reaching criteria. The laws of physics haven’t been repealed. Reflection and refraction of light from a diamond does not differ today from over fifty years ago when R. W. Ditchburn, mathematician and author of *Light*, did his initial work on diffraction and resolution with noncoherent illumination.

To imply that a diamond can now be cut with crown angles between 27.0 degrees and 38.0 degrees and pavilion angles from 39.8 degrees and 42.4 degrees and still be a category (or class) two is misguided. It's true that with enough light and enough movement of the diamond, any rock will have some pop, but GIA's methods—standardized lighting, non-use of metrics for scintillation, equalization of polish and symmetry in classifying with fire and brilliance, over-reliance on subjective human observation, addition of star-facet length and lower-girdle-facet length measurements, and durability criteria—are not credible. While I understand that the jewelry industry will benefit from allowing more diamonds into a new category two, it gives the consumer a false sense of value. Even the new category one extends the acceptable crown angles to 36 degrees and increases the pavilion angle to a maximum 41.8 degrees! Of course the old Class Is and Class IIs will still get the highest marks on this new scale, yet it allows inferior grades to tout the same rankings.

If you accept this new cut-grading system, buying a well-proportioned diamond is going to get tougher, if not impossible.

Super Cuts?

EightStar

Founded by Richard Von Sternberg in 1990, EightStar's mission statement has always been to cut a diamond for maximum light return. This is the only one that probably deserves to be called a true super cut. Practically every single diamond faceted and proportioned from EightStar Diamond Company meets the standards

for a Class I. It is important to note, however, that after June 10, 2004, some lesser-quality diamonds made it through the pipeline, so each stone must still be double-checked for accuracy.

A.G.S. 000

A.G.S. stands for American Gem Society. This society or club of jewelers got together decades ago to set higher standards for which jewelers should live by. Yada, yada, yada. Anyway, one of these standards is promoting “Ideal” made diamonds. But they have coined their own terminology. Instead of four classes of cut, they have a number scale ranging from 0 to 10. An A.G.S. 000 or 1 is sometimes equal to a Class I; an A.G.S. 2 or 3 is sometimes equal to a Class II. An A.G.S. 4, 5, 6, or 7 is sometimes equal to a Class III, and an A.G.S. 8, 9, or 10 is bottom of the barrel, equal to a Class IV.

Hearts on Fire

Hearts on Fire is a brand name for a type of cut diamond marketed by the company Di-Star Ltd. out of Boston. Their contention is if you cut a diamond to “Ideal” proportions, turn it upside down, and shoot a blue light through it, heart-shaped patterns will be visible through the pavilion, proving it is a well-cut diamond. Big deal! This is just a marketing ploy.

No matter what language you use, A.G.S. 000, Class I, “Ideal” make, Hearts on Fire, it just comes down to one thing: is it well-proportioned or not? I call all these cuts “Super Cuts” because they are perfection personified in cutting a diamond. But with their average 15 percent to 20 percent price premium for an increase in brilliance and dispersion of less than 4 percent, I would stick with a Class II and save the money.

High Definition Diamonds

Fact or Fiction?

Scene: (Also known as “The Set Up”)

A young man walks into a jewelry store to buy a diamond. We’ll call the young man Ralph, and the store salesperson Buddy.

Ralph: Hi there, I’m Ralph and I’m looking for a round diamond.

Buddy: Hi, I’m Buddy. What kind of round are you looking for?

Ralph: A shy 1ct, VS1, G, Class II, no fluorescence, natural, and bonded.

Buddy: No problem, what faceting arrangement would you like?

Ralph: Faceting arrangement?

Buddy: Well, are you looking for a Modern Era Cut? And if so, which one?

Ralph: Huh?

Buddy: A Modern Era Cut is not only well-proportioned, but comes in 58–144 facet combinations. A Non-Modern Era Cut would be a single cut with 16–17 facets, or a full cut with 57–58 facets with Old Miners (squared round) or Old European (high crown, sawed off culet) for weight retention.

Ralph: I definitely want a Modern Era Cut, but I didn’t know I could get a multi-facet arrangement to my liking. What’s the theory behind adding more than fifty-eight facets?

Buddy: Oh sir, it’s not a theory, but a proven fact! The more facets, the more brilliance.

Ralph: So a 144 faceted diamond has more brilliance than a 58 faceted diamond?

Buddy: You betcha!

Ralph: Well, if that’s true, why would anyone buy less than 144 facets?

Buddy: Personal taste. Some people just can’t handle too much brilliance so they pick the facet number that suits them best. Like

picking out what wattage you want your bulb for a lamp.

Ralph: Do these multi-faceted diamonds cost more?

Buddy: Oh yes sir! They are very labor intensive and only the finest rough (what diamonds look like before they are cut) is chosen.

Ralph: So how do I refer to these diamonds?

Buddy: Well Ralph, they all have their own names. For example, The Zoe Diamond has one hundred facets and was invented by Gabi Tolkowsky, the grandson to Marcel Tolkowsky who invented the American Ideal. There's also the Leo Cut from Leo Schachter that has sixty-six facets for just a little extra zing! Try to think of these multi-faceted rounds as "High Definition Diamonds." You'll get a clearer, sharper, more brilliant picture.

Ralph: How many types of these "High Definition Diamonds" are out there?

Buddy: Tons, practically, a new one hits the market every day! Let me tell you about...

Ralph: No, that's okay. I'll get back with you; I've got a headache.

Fade to Black

The Facts:

1. The job of a facet with the exception of the table facet is like that of a prism, to break light into the color spectrum, not to increase its magnitude or intensity. Extra-faceted diamonds cannot, I repeat cannot, increase the brilliance or white light return to your eye.
2. All of these "High Definition Diamonds" are trademarked or branded, leaving only a few distributors able to sell them through a

contract with the cutting company. (Translation: big cost, no secondary market value due to poor distribution.)

High Definition Diamonds are not bondable as of 2005, leaving you with no guarantees.

High Definition Diamonds may be a fact (they do exist) but they are just slick marketing campaigns designed to get a bigger piece of an already shrinking diamond pie.

So what's the final word on these "High Definition Diamonds"? Leave them alone. The only thing high on these diamonds is their price and their definition is incomplete.

*What's in a Name?**The Branding of Diamonds*

Whether most people realize it or not, the diamond industry has been going through a revolution over the past few years—from baked diamonds¹, to bonded diamonds², to Color Typing³. And it isn't over yet. It won't be long before the slogan "A Diamond Is Forever" will be replaced with "A DeBeers Diamond Is Forever," or some other name brand or stamp. No longer will any large diamond conglomerate do generic advertising that will benefit the new competitors on the block. With DeBeers's stranglehold of the world's diamond market barely at 60 percent from their good old days of 85 percent, their long held monopoly is over.

Other players like Argyle Diamond Mines, Ekati from Canada, and the Russian United Syndicate are staking their claim to a piece of the polished diamond pie. What this means to the consumer is each diamond syndicate will be stating why its diamonds meet a higher level of excellence than its competitors. Soon

you'll be doing the "Pepsi Challenge," but with diamonds. I can just see the ads now. Let me set the stage. A dark candle-lit restaurant; cherries jubilee has just been served; the Dom Pérignon has been poured; then you'll see a dark-haired man with chiseled good looks say, "Darling, you are the light that engulfs my life. Would you make me the happiest man in the world and be my wife?" At that moment he'll pop open a little black box and reveal a beautiful diamond engagement ring. The next thing you'll see is her closing the box and handing it back. "Listen baby, if I'm not good enough for an original DeBeers diamond, the King of Diamonds, then I'm going to have to say no!" At that moment the narrator will say "Why would you take a chance on a copycat when a DeBeers original is where it's at. A DeBeers diamond—when our one of a kind meets your one of a kind!" Oh, brother!!

The thought of this sickens me, but I know it's coming. With the breakup of the DeBeers monopoly, DeBeers has no choice but to start marketing their diamonds

as the first, the best, and the original. DeBeers has opened stores using the DeBeers name. Through a massive media campaign, which has already started in the U.K., DeBeers will try to intimate that they choose only the purest, ripest, and most succulent diamonds in the world. (Maybe they'll team up with Sunkist.) They will say that their standard of excellence supercedes the Canadians', the Australians', or the Russians'. Listen folks, regardless of where you dig up a diamond or who mines it, a diamond is a diamond. Slick advertising campaigns may have convinced women from here to Japan that a diamond deserves to be on their wish list, but to say that one brand-name diamond, like the millennium diamond, is better than another of the same quality just because of who is selling it is ridiculous.

Every diamond syndicate will be selling great diamonds, good diamonds, and crappy ones. Don't let the new advertising onslaught that is to come convince you otherwise. Every consumer will still have to go over the four Cs and warranties

on any diamond they might consider buying regardless of what label is stuck on the rock. Is Coke better than Pepsi? You decide, but is a DeBeers diamond better than an Argyle diamond? The answer is no!

- 1. A baked diamond is a diamond that has been heat treated to remove nitrogen or boron to improve its color. Baked diamonds are brittle and less valuable.*
- 2. A bonded diamond is a natural diamond that is fully warranted by the jeweler and covers breakage, buy back, and exchange.*
- 3. Color Typing is the divisioning of individual color grades into types to more accurately assess the diamond's nitrogen or boron content.*

Proportion Questionnaire Sheet (P.Q.S): A worksheet

Now that you know what you're looking for, here's a quick questionnaire that will tell you if a stone measures up.

_____ 1. What is the table?

53–60% (1 pt)

61–64% (0 pt)

Less than 53% or greater than 64% (-1 pt)*

**For square and rectangular cuts, deduct 1 point only if 66% or over.*

_____ 2. What is the crown angle?

32–35 degrees (1 pt)

Above 35 degrees (-1 pt)

Below 32 degrees (-1 pt)

_____ 3. What is the height of the crown?

11.2% to 16.2% of diameter (1 pt)

Above 16.2% (-1 pt)

Below 11.2% (-1 pt)*

_____ 4. What is the pavilion angle?

40–41.5 degrees (round diamond) (1 pt)

39.25–40.75 degrees (oval, marquise, pear) (1 pt)

43.3–46.8 degrees (square & rectangular) (1 pt)

Anything else (Disqualify)

_____ 5. What is the pavilion depth?

42.31–43.89% of diameter (round diamond) (1 pt)

41.51–43.1% of width (oval, marquise, pear) (1 pt)

47.1–53.1% of width (square & rectangular) (1 pt)

Anything else (Disqualify)

_____ 6. What is the total depth percentage?

56–61% (round, oval, marquise, pear) (1 pt)

56–65% (square and rectangular cuts) (1 pt)

Above 61% (round, oval, marquise, pear) (Disqualify)

Above 65% (square and rectangular cuts) (Disqualify)

Below 56% (round, oval, marquise, pear) (Disqualify)

Below 56% (square and rectangular cuts) (Disqualify)

* Please See Box Radiant and Standard Radiant Exception on Page 48

- _____ 7. What is the girdle thickness?
Medium (1 pt)
Thick (0 pt)
Thin (0 pt)
Very thin to extremely thin (-1 pt)
Very thick or extremely thick (-1 pt)
- _____ 8. What is the culet size?
None to small (1 pt)
Medium to large (-1 pt)
- _____ 9. Is the cutting of the stone symmetrical?
Excellent to good (1 pt)
Fair to poor (-1 pt)
- _____ 10. What GIA class of cut is the diamond?
I or II (1 pt)
III or IV (Disqualify)
- _____ 11. How is the polish?
Excellent to good (1 pt)
Fair to poor (-1 pt)
- _____ 12. Are the crown angles and pavilion angles universal?
Yes (1 pt)
No (Disqualify)

For the diamond to pass proportionality it must not disqualify and must have a score of 7+ points.

Cost

The Fifth “C”

Ok, time to talk real money. The prices listed here are the latest *wholesale* diamond prices at the time this book went to press. These are approximate prices, but because the supply of diamonds is so carefully controlled by the international diamond cartels, prices don't fluctuate very much. You can expect prices to rise no more than 5 percent a year under normal market conditions.

How Much to Spend

I'm sure you have heard the rule of thumb that says you should spend two months' salary on a diamond engagement ring. Well, let's not forget whose thumb we're talking about here: the diamond cartel's. There is no magic in that guideline—it wasn't given to Moses on a tablet; it's not in the Bible or the Dead Sea Scrolls. It's a marketing gimmick aimed at getting you to spend as much money as possible for your diamond. Don't be bullied by the diamond industry into buying something you can't afford! You should examine your own budget carefully and decide what you can afford.

Even if you do use the two months' salary guideline, if you follow my advice and buy wisely, you'll only have to spend one month's salary to get what an uneducated buyer would pay double for.

Keep in mind as you look through the price chart that the *price per carat* increases with the size of the diamond. For example, a half-carat VS1-G(1) costs \$2,907, or \$5,814 per carat, while an actual one-carat VS1-G(1) costs \$12,699. That's because the larger stones are rarer.

If you do your homework and shop around, you should be able to buy a diamond at these prices. If you have problems, call my HelpLine: 800-275-4047. The HelpLine is in operation 9 a.m.–5 p.m. (Central Time) Monday through Friday, and 9 a.m.–Noon (Central Time) on Saturday.

Diamond Price Tables

1/3 carat (33 points)										
CLARITY										
Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
D 1	2323	1919	1666	1464	1363	1060	858	656	505	353
2	2234	1881	1628	1439	1338	1048	846	644	492	341
3	2146	1843	1590	1414	1313	1035	833	631	480	328
4	2057	1805	1553	1388	1287	1022	820	619	467	316
5	1969	1767	1515	1363	1262	1010	808	606	454	303
E 1	1969	1767	1515	1363	1262	1010	808	606	454	303
2	1931	1742	1489	1338	1237	997	795	593	442	303

Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
F	3	1893	1717	1464	1313	1212	985	783	581	429	303
	4	1856	1691	1439	1287	1187	972	770	568	417	303
	5	1818	1666	1414	1262	1161	959	757	555	404	303
	1	1818	1666	1414	1262	1161	959	757	555	404	303
	2	1792	1628	1388	1237	1123	934	757	543	404	290
G	3	1767	1590	1363	1212	1086	909	757	530	404	278
	4	1742	1553	1338	1187	1048	884	757	518	404	265
	5	1717	1515	1313	1161	1010	858	757	505	404	252
	1	1717	1515	1313	1161	1010	858	757	505	404	252
	2	1666	1464	1275	1123	985	846	745	492	391	252
H	3	1616	1414	1237	1086	959	833	732	480	379	252
	4	1565	1363	1199	1048	934	820	719	467	366	252
	5	1515	1313	1161	1010	909	808	707	454	353	252
	1	1515	1313	1161	1010	909	808	707	454	353	252
	2	1439	1250	1123	985	884	795	694	454	353	252
I	3	1363	1187	1086	959	858	783	682	454	353	252
	4	1287	1123	1048	934	833	770	669	454	353	252
	5	1212	1060	1010	909	808	757	656	454	353	252
	1	1212	1060	1010	909	808	757	656	454	353	252
	2	1149	1022	972	871	783	732	644	442	353	240
J	3	1086	985	934	833	757	707	631	429	353	227
	4	1022	947	896	795	732	682	619	417	353	215
	5	959	909	858	757	707	656	606	404	353	202
	1	959	909	858	757	707	656	606	404	353	202
	2	934	884	833	732	682	631	581	404	341	202
	3	909	858	808	707	656	606	555	404	328	202
	4	884	833	783	682	631	581	530	404	316	202
	5	858	808	757	656	606	555	505	404	303	202

Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
K	1	858	808	757	656	606	555	505	404	303	202
	2	808	757	719	631	593	543	492	379	290	189
	3	757	707	682	606	581	530	480	353	278	177
	4	707	656	644	581	568	518	467	328	265	164
	5	656	606	606	555	555	505	454	303	252	151
L	1	656	606	606	555	555	505	454	303	252	151
	2	631	593	581	530	530	480	429	290	240	151
	3	606	581	555	505	505	454	404	278	227	151
	4	581	568	530	480	480	429	379	265	215	151
	5	555	555	505	454	454	404	353	252	202	151
M	1	555	555	505	454	454	404	353	252	202	151
	2	543	530	480	429	417	366	316	227	177	126
	3	530	505	454	404	379	328	278	202	151	101
	4	518	480	429	379	341	290	240	177	126	76
	5	505	454	404	353	303	252	202	151	101	50
E.G. $\frac{1}{3}$ carat SI-1 (clarity) H-3(color) = \$783											

1/2 carat (50 points)											
CLARITY											
Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
D	1	6273	4820	4208	3443	3137	2678	2142	1607	1224	842
	2	5891	4667	4131	3385	3079	2620	2104	1587	1205	822
	3	5508	4514	4055	3328	3022	2563	2066	1568	1186	803
	4	5126	4361	3978	3270	2964	2505	2027	1549	1167	784
	5	4743	4208	3902	3213	2907	2448	1989	1530	1148	765
E	1	4743	4208	3902	3213	2907	2448	1989	1530	1148	765
	2	4609	4131	3844	3175	2869	2391	1951	1511	1128	765

Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
E 3	4475	4055	3787	3137	2831	2333	1913	1492	1109	765	
	4	4341	3978	3729	3098	2792	2276	1874	1473	1090	765
	5	4208	3902	3672	3060	2754	2219	1836	1454	1071	765
F 1	4208	3902	3672	3060	2754	2219	1836	1454	1071	765	
	2	4131	3806	3576	3022	2697	2180	1798	1415	1052	746
	3	4055	3710	3481	2984	2639	2142	1760	1377	1033	727
	4	3978	3615	3385	2945	2582	2104	1721	1339	1014	708
	5	3902	3519	3290	2907	2525	2066	1683	1301	995	689
G 1	3902	3519	3290	2907	2525	2066	1683	1301	995	689	
	2	3787	3404	3156	2811	2448	2027	1664	1281	975	689
	3	3672	3290	3022	2716	2372	1989	1645	1262	956	689
	4	3557	3175	2888	2620	2295	1951	1626	1243	937	689
	5	3443	3060	2754	2525	2219	1913	1607	1224	918	689
H 1	3443	3060	2754	2525	2219	1913	1607	1224	918	689	
	2	3290	2926	2639	2410	2142	1855	1587	1205	918	689
	3	3137	2792	2525	2295	2066	1798	1568	1186	918	689
	4	2984	2658	2410	2180	1989	1740	1549	1167	918	689
	5	2831	2525	2295	2066	1913	1683	1530	1148	918	689
I 1	2831	2525	2295	2066	1913	1683	1530	1148	918	689	
	2	2678	2410	2219	1989	1855	1645	1492	1128	918	669
	3	2525	2295	2142	1913	1798	1607	1454	1109	918	650
	4	2372	2180	2066	1836	1740	1568	1415	1090	918	631
	5	2219	2066	1989	1760	1683	1530	1377	1071	918	612
J 1	2219	2066	1989	1760	1683	1530	1377	1071	918	612	
	2	2142	2008	1932	1702	1626	1473	1339	1052	899	612
	3	2066	1951	1874	1645	1568	1415	1301	1033	880	612
	4	1989	1893	1817	1587	1511	1358	1262	1014	861	612
	5	1913	1836	1760	1530	1454	1301	1224	995	842	612

Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
K	1	1913	1836	1760	1530	1454	1301	1224	995	842	612
	2	1855	1779	1721	1511	1454	1301	1205	956	822	593
	3	1798	1721	1683	1492	1454	1301	1186	918	803	574
	4	1740	1664	1645	1473	1454	1301	1167	880	784	555
	5	1683	1607	1607	1454	1454	1301	1148	842	765	536
L	1	1683	1607	1607	1454	1454	1301	1148	842	765	536
	2	1626	1549	1549	1415	1415	1262	1128	822	746	516
	3	1568	1492	1492	1377	1377	1224	1109	803	727	497
	4	1511	1434	1434	1339	1339	1186	1090	784	708	478
	5	1454	1377	1377	1301	1301	1148	1071	765	689	459
M	1	1454	1377	1377	1301	1301	1148	1071	765	689	459
	2	1396	1320	1301	1224	1205	1052	975	727	650	440
	3	1339	1262	1224	1148	1109	956	880	689	612	421
	4	1281	1205	1148	1071	1014	861	784	650	574	402
	5	1224	1148	1071	995	918	765	689	612	536	383

E.G. $1\frac{1}{2}$ carat SI-2 (clarity) G-1(color) = \$1,683

3/4 carat (75 points)

CLARITY

Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
D	1	11475	8951	7574	6770	6197	5393	4820	3328	2180	1377
	2	10758	8606	7401	6656	6082	5336	4762	3299	2152	1377
	3	10041	8262	7229	6541	5967	5279	4705	3270	2123	1377
	4	9323	7918	7057	6426	5852	5221	4647	3242	2094	1377
	5	8606	7574	6885	6311	5738	5164	4590	3213	2066	1377
E	1	8606	7574	6885	6311	5738	5164	4590	3213	2066	1377
	2	8348	7430	6742	6197	5651	5078	4504	3184	2037	1348
	3	8090	7287	6598	6082	5565	4992	4418	3156	2008	1320
	4	7832	7143	6455	5967	5479	4906	4332	3127	1979	1291
	5	7574	7000	6311	5852	5393	4820	4246	3098	1951	1262
F	1	7574	7000	6311	5852	5393	4820	4246	3098	1951	1262
	2	7401	6828	6197	5738	5307	4733	4188	3070	1951	1234
	3	7229	6656	6082	5623	5221	4647	4131	3041	1951	1205
	4	7057	6483	5967	5508	5135	4561	4074	3012	1951	1176
	5	6885	6311	5852	5393	5049	4475	4016	2984	1951	1148
G	1	6885	6311	5852	5393	5049	4475	4016	2984	1951	1148
	2	6713	6139	5680	5250	4934	4389	3959	2926	1922	1148
	3	6541	5967	5508	5106	4820	4303	3902	2869	1893	1148
	4	6369	5795	5336	4963	4705	4217	3844	2811	1865	1148
	5	6197	5623	5164	4820	4590	4131	3787	2754	1836	1148
H	1	6197	5623	5164	4820	4590	4131	3787	2754	1836	1148
	2	5938	5422	5020	4705	4475	4045	3672	2725	1807	1148
	3	5680	5221	4877	4590	4361	3959	3557	2697	1779	1148
	4	5422	5020	4733	4475	4246	3873	3443	2668	1750	1148
	5	5164	4820	4590	4361	4131	3787	3328	2639	1721	1148

	Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
I	1	5164	4820	4590	4361	4131	3787	3328	2639	1721	1148
	2	4877	4590	4389	4160	3959	3672	3270	2582	1693	1119
	3	4590	4361	4188	3959	3787	3557	3213	2525	1664	1090
	4	4303	4131	3988	3758	3615	3443	3156	2467	1635	1061
	5	4016	3902	3787	3557	3443	3328	3098	2410	1607	1033
J	1	4016	3902	3787	3557	3443	3328	3098	2410	1607	1033
	2	3902	3787	3672	3443	3328	3184	2955	2295	1578	1033
	3	3787	3672	3557	3328	3213	3041	2811	2180	1549	1033
	4	3672	3557	3443	3213	3098	2897	2668	2066	1520	1033
	5	3557	3443	3328	3098	2984	2754	2525	1951	1492	1033
K	1	3557	3443	3328	3098	2984	2754	2525	1951	1492	1033
	2	3414	3299	3184	2984	2897	2697	2467	1836	1434	1004
	3	3270	3156	3041	2869	2811	2639	2410	1721	1377	975
	4	3127	3012	2897	2754	2725	2582	2352	1607	1320	947
	5	2984	2869	2754	2639	2639	2525	2295	1492	1262	918
L	1	2984	2869	2754	2639	2639	2525	2295	1492	1262	918
	2	2926	2811	2697	2582	2582	2467	2266	1463	1234	889
	3	2869	2754	2639	2525	2525	2410	2238	1434	1205	861
	4	2811	2697	2582	2467	2467	2352	2209	1406	1176	832
	5	2754	2639	2525	2410	2410	2295	2180	1377	1148	803
M	1	2754	2639	2525	2410	2410	2295	2180	1377	1148	803
	2	2697	2582	2467	2352	2324	2209	2094	1320	1090	746
	3	2639	2525	2410	2295	2238	2123	2008	1262	1033	689
	4	2582	2467	2352	2238	2152	2037	1922	1205	975	631
	5	2525	2410	2295	2180	2066	1951	1836	1148	918	574

E.G. 3 / 4 carat VS-2 (clarity) L-1(color) = \$2,639

1 carat (100 points)										
CLARITY										
Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
D	1	35649	26469	22491	16983	13311	10710	9027	6426	4284
	2	32857	25628	21803	16677	13158	10557	8912	6350	4246
	3	30065	24786	21114	16371	13005	10404	8798	6273	4208
	4	27272	23945	20426	16065	12852	10251	8683	6197	4169
	5	24480	23103	19737	15759	12699	10098	8568	6120	4131
E	1	24480	23103	19737	15759	12699	10098	8568	6120	4131
	2	23906	22376	19316	15377	12546	9983	8453	6044	4093
	3	23333	21650	18896	14994	12393	9869	8339	5967	4055
	4	22759	20923	18475	14612	12240	9754	8224	5891	4016
	5	22185	20196	18054	14229	12087	9639	8109	5814	3978
F	1	22185	20196	18054	14229	12087	9639	8109	5814	3978
	2	20579	18896	17136	13847	11896	9486	8033	5776	3940
	3	18972	17595	16218	13464	11705	9333	7956	5738	3902
	4	17366	16295	15300	13082	11513	9180	7880	5699	3863
	5	15759	14994	14382	12699	11322	9027	7803	5661	3825
G	1	15759	14994	14382	12699	11322	9027	7803	5661	3825
	2	15032	14306	13694	12164	10940	8951	7765	5585	3787
	3	14306	13617	13005	11628	10557	8874	7727	5508	3749
	4	13579	12929	12317	11093	10175	8798	7688	5432	3710
	5	12852	12240	11628	10557	9792	8721	7650	5355	3672
H	1	12852	12240	11628	10557	9792	8721	7650	5355	3672
	2	12393	11819	11169	10175	9448	8453	7459	5240	3596
	3	11934	11399	10710	9792	9104	8186	7268	5126	3519
	4	11475	10978	10251	9410	8759	7918	7076	5011	3443
	5	11016	10557	9792	9027	8415	7650	6885	4896	3366

Color		IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
I	1	11016	10557	9792	9027	8415	7650	6885	4896	3366	1836
	2	10557	10136	9486	8798	8186	7459	6770	4743	3290	1836
	3	10098	9716	9180	8568	7956	7268	6656	4590	3213	1836
	4	9639	9295	8874	8339	7727	7076	6541	4437	3137	1836
	5	9180	8874	8568	8109	7497	6885	6426	4284	3060	1836
J	1	9180	8874	8568	8109	7497	6885	6426	4284	3060	1836
	2	8912	8645	8339	7880	7229	6656	6158	4208	2984	1798
	3	8645	8415	8109	7650	6962	6426	5891	4131	2907	1760
	4	8377	8186	7880	7421	6694	6197	5623	4055	2831	1721
	5	8109	7956	7650	7191	6426	5967	5355	3978	2754	1683
K	1	8109	7956	7650	7191	6426	5967	5355	3978	2754	1683
	2	7880	7727	7459	7038	6311	5852	5240	3902	2678	1645
	3	7650	7497	7268	6885	6197	5738	5126	3825	2601	1607
	4	7421	7268	7076	6732	6082	5623	5011	3749	2525	1568
	5	7191	7038	6885	6579	5967	5508	4896	3672	2448	1530
L	1	7191	7038	6885	6579	5967	5508	4896	3672	2448	1530
	2	6923	6770	6617	6311	5699	5240	4667	3519	2410	1530
	3	6656	6503	6350	6044	5432	4973	4437	3366	2372	1530
	4	6388	6235	6082	5776	5164	4705	4208	3213	2333	1530
	5	6120	5967	5814	5508	4896	4437	3978	3060	2295	1530
M	1	6120	5967	5814	5508	4896	4437	3978	3060	2295	1530
	2	5891	5738	5585	5279	4743	4284	3825	2984	2219	1492
	3	5661	5508	5355	5049	4590	4131	3672	2907	2142	1454
	4	5432	5279	5126	4820	4437	3978	3519	2831	2066	1415
	5	5202	5049	4896	4590	4284	3825	3366	2754	1989	1377
E.G. 1 carat, VS-1 (clarity), F-3 (color) = \$13,464											

1 1/2 carat (150 points)

CLARITY

Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
D	1	63473	51383	46500	36270	29295	22088	18135	11625	7208	4185
	2	60159	50394	44931	35689	28946	21913	17961	11509	7149	4127
	3	56846	49406	43361	35108	28598	21739	17786	11393	7091	4069
	4	53533	48418	41792	34526	28249	21564	17612	11276	7033	4011
	5	50220	47430	40223	33945	27900	21390	17438	11160	6975	3953
E	1	50220	47430	40223	33945	27900	21390	17438	11160	6975	3953
	2	48534	45454	39525	33248	27551	21099	17147	11044	6917	3894
	3	46849	43478	38828	32550	27203	20809	16856	10928	6859	3836
	4	45163	41501	38130	31853	26854	20518	16566	10811	6801	3778
	5	43478	39525	37433	31155	26505	20228	16275	10695	6743	3720
F	1	43478	39525	37433	31155	26505	20228	16275	10695	6743	3720
	2	40164	37026	35166	29760	25691	19763	15984	10579	6684	3662
	3	36851	34526	32899	28365	24878	19298	15694	10463	6626	3604
	4	33538	32027	30632	26970	24064	18833	15403	10346	6568	3546
	5	30225	29528	28365	25575	23250	18368	15113	10230	6510	3488
G	1	30225	29528	28365	25575	23250	18368	15113	10230	6510	3488
	2	28751	28055	26954	24345	22314	18021	14892	10082	6432	3476
	3	27276	26583	25543	23115	21379	17675	14671	9935	6353	3465
	4	25802	25111	24132	21885	20443	17329	14450	9787	6275	3454
	5	24327	23639	22721	20655	19508	16983	14229	9639	6197	3443
H	1	24327	23639	22721	20655	19508	16983	14229	9639	6197	3443
	2	23466	22893	22032	20024	18762	16467	13885	9524	6082	3385
	3	22606	22147	21344	19393	18016	15950	13541	9410	5967	3328
	4	21745	21401	20655	18762	17270	15434	13196	9295	5852	3270
	5	20885	20655	19967	18131	16524	14918	12852	9180	5738	3213

Color		IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
I	1	20885	20655	19967	18131	16524	14918	12852	9180	5738	3213
	2	20024	19737	19049	17385	15836	14344	12450	8836	5623	3213
	3	19163	18819	18131	16639	15147	13770	12049	8492	5508	3213
	4	18303	17901	17213	15893	14459	13196	11647	8147	5393	3213
	5	17442	16983	16295	15147	13770	12623	11246	7803	5279	3213
J	1	17442	16983	16295	15147	13770	12623	11246	7803	5279	3213
	2	16639	16180	15549	14573	13254	12106	10844	7631	5164	3156
	3	15836	15377	14803	14000	12737	11590	10442	7459	5049	3098
	4	15032	14573	14057	13426	12221	11073	10041	7287	4934	3041
	5	14229	13770	13311	12852	11705	10557	9639	7115	4820	2984
K	1	14229	13770	13311	12852	11705	10557	9639	7115	4820	2984
	2	13827	13368	12909	12450	11360	10328	9410	6942	4762	2926
	3	13426	12967	12508	12049	11016	10098	9180	6770	4705	2869
	4	13024	12565	12106	11647	10672	9869	8951	6598	4647	2811
	5	12623	12164	11705	11246	10328	9639	8721	6426	4590	2754
L	1	12623	12164	11705	11246	10328	9639	8721	6426	4590	2754
	2	12164	11762	11360	10959	9983	9237	8377	6197	4475	2754
	3	11705	11360	11016	10672	9639	8836	8033	5967	4361	2754
	4	11246	10959	10672	10385	9295	8434	7688	5738	4246	2754
	5	10787	10557	10328	10098	8951	8033	7344	5508	4131	2754
M	1	10787	10557	10328	10098	8951	8033	7344	5508	4131	2754
	2	10385	10155	9926	9696	8606	7803	7115	5279	3902	2639
	3	9983	9754	9524	9295	8262	7574	6885	5049	3672	2525
	4	9582	9352	9123	8893	7918	7344	6656	4820	3443	2410
	5	9180	8951	8721	8492	7574	7115	6426	4590	3213	2295
E.G. 1 1 / 2 carat, VVS-1 (clarity), J-1 (color) = \$16,983											

2 carat (200 points)											
CLARITY											
Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
D	1	125600	101422	91374	74418	55264	39564	32342	18212	10676	5966
	2	118771	98989	88156	72534	54793	39329	32107	18055	10598	5888
	3	111941	96555	84937	70650	54322	39093	31871	17898	10519	5809
	4	105112	94122	81719	68766	53851	38858	31636	17741	10441	5731
	5	98282	91688	78500	66882	53380	38622	31400	17584	10362	5652
E	1	98282	91688	78500	66882	53380	38622	31400	17584	10362	5652
	2	95299	88234	76381	64920	52909	38308	31165	17427	10284	5574
	3	92316	84780	74261	62957	52438	37994	30929	17270	10205	5495
	4	89333	81326	72142	60995	51967	37680	30694	17113	10127	5417
	5	86350	77872	70022	59032	51496	37366	30458	16956	10048	5338
F	1	86350	77872	70022	59032	51496	37366	30458	16956	10048	5338
	2	80306	72691	65469	56599	49848	36817	30144	16721	9970	5338
	3	74261	67510	60916	54165	48199	36267	29830	16485	9891	5338
	4	68217	62329	56363	51732	46551	35718	29516	16250	9813	5338
	5	62172	57148	51810	49298	44902	35168	29202	16014	9734	5338
G	1	62172	57148	51810	49298	44902	35168	29202	16014	9734	5338
	2	58718	54165	48906	47493	43646	34226	28731	15779	9656	5260
	3	55264	51182	46001	45687	42390	33284	28260	15543	9577	5181
	4	51810	48199	43097	43882	41134	32342	27789	15308	9499	5103
	5	48356	45216	40192	42076	39878	31400	27318	15072	9420	5024
H	1	48356	45216	40192	42076	39878	31400	27318	15072	9420	5024
	2	46001	43411	39093	39800	37523	30380	26612	14915	9263	4946
	3	43646	41605	37994	37523	35168	29359	25905	14758	9106	4867
	4	41291	39800	36895	35247	32813	28339	25199	14601	8949	4789
	5	38936	37994	35796	32970	30458	27318	24492	14444	8792	4710

Color		IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
I	1	38936	37994	35796	32970	30458	27318	24492	14444	8792	4710
	2	37052	36032	34069	31479	29124	26141	23629	14052	8557	4710
	3	35168	34069	32342	29987	27789	24963	22765	13659	8321	4710
	4	33284	32107	30615	28496	26455	23786	21902	13267	8086	4710
	5	31400	30144	28888	27004	25120	22608	21038	12874	7850	4710
J	1	31400	30144	28888	27004	25120	22608	21038	12874	7850	4710
	2	30615	29359	28260	26376	24492	22059	20489	12482	7772	4632
	3	29830	28574	27632	25748	23864	21509	19939	12089	7693	4553
	4	29045	27789	27004	25120	23236	20960	19390	11697	7615	4475
	5	28260	27004	26376	24492	22608	20410	18840	11304	7536	4396
K	1	28260	27004	26376	24492	22608	20410	18840	11304	7536	4396
	2	26690	25591	24963	23315	21352	19233	17663	10912	7458	4318
	3	25120	24178	23550	22137	20096	18055	16485	10519	7379	4239
	4	23550	22765	22137	20960	18840	16878	15308	10127	7301	4161
	5	21980	21352	20724	19782	17584	15700	14130	9734	7222	4082
L	1	21980	21352	20724	19782	17584	15700	14130	9734	7222	4082
	2	21195	20646	20096	19233	17035	15072	13581	9342	7065	4082
	3	20410	19939	19468	18683	16485	14444	13031	8949	6908	4082
	4	19625	19233	18840	18134	15936	13816	12482	8557	6751	4082
	5	18840	18526	18212	17584	15386	13188	11932	8164	6594	4082
M	1	18840	18526	18212	17584	15386	13188	11932	8164	6594	4082
	2	18055	17741	17427	16799	14915	12953	11775	7693	6123	3925
	3	17270	16956	16642	16014	14444	12717	11618	7222	5652	3768
	4	16485	16171	15857	15229	13973	12482	11461	6751	5181	3611
	5	15700	15386	15072	14444	13502	12246	11304	6280	4710	3454
E.G. 2 carat, SI-1 (clarity), I-2 (color) = \$26,141											

Buying Shy

“Buying shy” is a term I coined. It’s one of my shrewdest and most valuable suggestions for buying diamonds. Buying shy can save you a lot of money!

Here’s what I mean by buying shy: *shopping for diamonds that weigh just under half-carat and full-carat weights.*

For example, instead of a one-carat (100-point) diamond you’d buy a .90-carat diamond. Instead of a half-carat, you’d buy a .45-carat stone. It’s as simple as that.

But Fred, you’re saying—why should I buy a smaller diamond than I want?

The simple answer: to save a lot of money.

Because the price of a diamond jumps dramatically when it reaches a true half-carat or full-carat, the advantage of buying shy is also pretty dramatic!

And let’s see how much “smaller” we’re talking about. The diameter of a one-carat diamond is 6.5 millimeters. The diameter of a “shy” .90-carat stone is 6.3 millimeters. The difference is the thickness of a piece of ordinary paper! Looking at the stones side by side you’d be hard-pressed to tell the difference.

Look at the savings:

.50ct SI1-I \$1,683

.45ct SI1-I \$1,170

You save \$513!

.75ct SI1-I \$3,787

.65ct SI1-I \$2,188 **You save \$1,599!**

1.00ct SI1-I \$7,650

.90ct SI1-I \$5,921 **You save \$1,729!**

You'll notice that buying shy sometimes means a difference of 1 point and sometimes a difference of 10 points. And you're thinking, "Why don't I buy the .99-carat stone instead of the .90 carat stone? Won't I still get the same price break and a slightly bigger stone?" Yes, but the problem is finding that 99-pointer. Diamond cutters, who are well aware that the full one-carat stone is worth quite a bit more than the 99-pointer, will cheat on the proportions a bit to get the stone up to the full carat. So don't be obsessed with trying to get closer than 10 points on full-carated stones, but you will find .90s and 1.90s, etc.

The one potential problem with buying shy is a psychological one. What sort of person is your True Love? If she's going to be upset that you didn't get the full carat, and will forever think of you as a cheapskate, then it may be worth the extra money.

Your fiancée may never ask how big her 90-point diamond is, but if she does, you might say, "About a carat," and leave it at that. I believe that happiness is a dream that becomes a reality—and if she sees a diamond that is just what she dreamed of, she'll be happy!

Of course, if you're a practical couple and you decide to shop for the diamond together, you should both read this book first and then decide what you're going to shop for.

Fred's Advice: Always buy shy! You'll pay a lot less for a diamond that looks just as good.

The Day My World Changed (September 6, 2005)

The Day Before

My father and I were going to New York to have a meeting with the manager of DCI New York to see why clients were experiencing unusual delays on the processing of their orders. The meeting should have lasted only thirty minutes...it lasted nine hours.

September 6, 2005

The meeting was at our offices at 579 Fifth Avenue scheduled for 9:00 a.m. We had the whole day for the meeting and whatever (shopping and eating) because we weren't flying back until Wednesday, September 7. I had no idea when I walked into the office my life was going to forever change!

The Meeting

We exchange pleasantries for a while and then I got to the point of the meeting.

Me: "Neil, as you know DCI New York is falling a little behind in filling all the orders, and we just want to see what's up." (I wanted to say "What's up?" like the Budweiser commercials but realized it was a little lame to use a seven-year-old bit regardless of how much

I personally loved to say “Wazzzzzup?”).

Long dramatic pause...

Neil: “Fred, do you know how for twenty years you’ve been telling people to buy shy?”

Me: “Uh-huh.”

Neil: “Well, they did. And now they’re all gone—the good quality ones.”

Me: “What do you mean they’re all gone?”

Neil: “They are all gone! All the shy stones (.45–.49 ct, .65–.69 ct, 1.45–1.49 ct, 1.85–1.95 ct, 2.85 ct–2.95 ct) are gone, and it’s not only those. All the full sizes over 3 carats are gone. The rough to cut 1.25 ct and 1.75 ct box radiants are gone. The rough-to-cut 65/65 princesses in any size are gone. The 65/65 asschers are gone! Fred, they’re all gone!”

The conversation proceeded from there. For nine hours, we tackled many questions. What rough was still available to fill current and future orders? What type of rationing was needed to stretch the current supply of “fulls”? A full is a hard-weight diamond .50 ct, .75 ct, 1.0 ct, 1.50 ct, 2.0 ct, and rough-to-cut full sizes were still available. Important note: When I tell you, the reader, that the world is running out of diamonds, again, I am only referring to the good diamonds, not the commercial grade stuff that consolidators

like Costco, Sam's, Blue Nile, Zales, or Bailey Banks & Biddle sell. There is no shortage, nor will there ever be a shortage of commercial grade diamonds.

Everyone defines a "good" diamond as a diamond that holds or appreciates in value over time when you try to sell it. Commercial grade diamonds, on the secondary market, sell for only a small fraction of what you paid. That is also the case now for the fancy shapes (pear, marquise, emerald cut, asscher, oval, heart, trillion, baguette) and melee. They have little or no secondary market value. The top price you'll see for any commercial grade, fancy shaped, or melee diamonds will rarely be a penny more than 19.7 percent of the original dollar spent. While a good diamond (white, eye clean, Class 1 or 2, non-fluorescent, natural, fully bonded) will always bring you even money (100 percent of what you paid) as long as the vendor you bought it from stays in business. Even if they don't, you'll at least get 40 to 45 percent of what you paid as dump value (the average is 60 percent) or 80 to 85 percent on the secondary market to an end consumer who is not looking to flip the rock. There is no question: if you are going to buy a diamond, it makes no sense purchasing a crummy one with bogus "certificates" that don't guarantee you anything. It leaves you holding a piece of gravel if you ever want to part with your rock.

Anyway, this is what the market (world) is dealing with. Good diamonds in entire categories are extinct except the onesies and twosies, and what is left could be gone as early as 2010. The following Buying Shy Price Lists are like an endangered species, they can become extinct over night.

Buying Shy Endangered Price List

.45 Carat (45 points)										
CLARITY										
Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
D 1	3580	3098	2685	2341	1997	1584	1377	1033	757	551
	2	3460	3012	2616	2306	1979	1566	1377	1016	534
	3	3339	2926	2547	2272	1962	1549	1377	998	516
	4	3219	2840	2479	2238	1945	1532	1377	981	499
	5	3098	2754	2410	2203	1928	1515	1377	964	482
E 1	3098	2754	2410	2203	1928	1515	1377	964	689	482
	2	3047	2720	2375	2169	1893	1515	1360	964	482
	3	2995	2685	2341	2134	1859	1515	1343	964	482
	4	2943	2651	2306	2100	1825	1515	1325	964	482
	5	2892	2616	2272	2066	1790	1515	1308	964	482
F 1	2892	2616	2272	2066	1790	1515	1308	964	689	482
	2	2840	2547	2220	2014	1756	1497	1291	947	465
	3	2788	2479	2169	1962	1721	1480	1274	929	448
	4	2737	2410	2117	1911	1687	1463	1257	912	430
	5	2685	2341	2066	1859	1652	1446	1239	895	413
G 1	2685	2341	2066	1859	1652	1446	1239	895	620	413
	2	2599	2272	1997	1807	1618	1429	1222	878	413
	3	2513	2203	1928	1756	1584	1411	1205	861	413
	4	2427	2134	1859	1704	1549	1394	1188	843	413
	5	2341	2066	1790	1652	1515	1377	1170	826	413
H 1	2341	2066	1790	1652	1515	1377	1170	826	620	413
	2	2255	1979	1738	1601	1463	1325	1136	809	413
	3	2169	1893	1687	1549	1411	1274	1102	792	413

Color		IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
I	4	2083	1807	1635	1497	1360	1222	1067	775	568	413
	5	1997	1721	1584	1446	1308	1170	1033	757	551	413
	1	1997	1721	1584	1446	1308	1170	1033	757	551	413
	2	1911	1670	1549	1411	1274	1136	998	740	551	396
	3	1825	1618	1515	1377	1239	1102	964	723	551	379
J	4	1738	1566	1480	1343	1205	1067	929	706	551	361
	5	1652	1515	1446	1308	1170	1033	895	689	551	344
	1	1652	1515	1446	1308	1170	1033	895	689	551	344
	2	1618	1480	1411	1274	1136	998	878	671	534	344
	3	1584	1446	1377	1239	1102	964	861	654	516	344
K	4	1549	1411	1343	1205	1067	929	843	637	499	344
	5	1515	1377	1308	1170	1033	895	826	620	482	344
	1	1515	1377	1308	1170	1033	895	826	620	482	344
	2	1446	1325	1257	1136	1016	878	809	602	465	327
	3	1377	1274	1205	1102	998	861	792	585	448	310
L	4	1308	1222	1153	1067	981	843	775	568	430	293
	5	1239	1170	1102	1033	964	826	757	551	413	275
	1	1239	1170	1102	1033	964	826	757	551	413	275
	2	1188	1119	1050	981	929	792	723	534	396	258
	3	1136	1067	998	929	895	757	689	516	379	241
M	4	1084	1016	947	878	861	723	654	499	361	224
	5	1033	964	895	826	826	689	620	482	344	207
	1	1033	964	895	826	826	689	620	482	344	207
	2	981	912	843	775	775	637	568	448	327	189
	3	929	861	792	723	723	585	516	413	310	172
	4	878	809	740	671	671	534	465	379	293	155
	5	826	757	689	620	620	482	413	344	275	138
E.G. 0.45 carat I-2 (clarity) G-1 (color) = \$620											

.65 Carat (65 points)										
CLARITY										
Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
D	1	8155	6265	5470	4475	4077	3481	2785	2088	1094
	2	7658	6066	5370	4401	4003	3406	2735	2064	1069
	3	7160	5868	5271	4326	3928	3332	2685	2039	1044
	4	6663	5669	5171	4251	3854	3257	2635	2014	1019
	5	6166	5470	5072	4177	3779	3182	2586	1989	995
E	1	6166	5470	5072	4177	3779	3182	2586	1989	995
	2	5992	5370	4997	4127	3729	3108	2536	1964	995
	3	5818	5271	4923	4077	3680	3033	2486	1939	995
	4	5644	5171	4848	4028	3630	2959	2437	1914	995
	5	5470	5072	4774	3978	3580	2884	2387	1890	995
F	1	5470	5072	4774	3978	3580	2884	2387	1890	995
	2	5370	4948	4649	3928	3506	2834	2337	1840	970
	3	5271	4823	4525	3879	3431	2785	2287	1790	945
	4	5171	4699	4401	3829	3356	2735	2238	1740	920
	5	5072	4575	4276	3779	3282	2685	2188	1691	895
G	1	5072	4575	4276	3779	3282	2685	2188	1691	895
	2	4923	4426	4102	3655	3182	2635	2163	1666	895
	3	4774	4276	3928	3530	3083	2586	2138	1641	895
	4	4624	4127	3754	3406	2984	2536	2113	1616	895
	5	4475	3978	3580	3282	2884	2486	2088	1591	895
H	1	4475	3978	3580	3282	2884	2486	2088	1591	895
	2	4276	3804	3431	3133	2785	2412	2064	1566	895
	3	4077	3630	3282	2984	2685	2337	2039	1541	895
	4	3879	3456	3133	2834	2586	2262	2014	1517	895
	5	3680	3282	2984	2685	2486	2188	1989	1492	895
I	1	3680	3282	2984	2685	2486	2188	1989	1492	895

Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
	2	3481	3133	2884	2586	2412	2138	1939	1467	1193	870
	3	3282	2984	2785	2486	2337	2088	1890	1442	1193	845
	4	3083	2834	2685	2387	2262	2039	1840	1417	1193	820
	5	2884	2685	2586	2287	2188	1989	1790	1392	1193	796
	J 1	2884	2685	2586	2287	2188	1989	1790	1392	1193	796
	2	2785	2611	2511	2213	2113	1914	1740	1367	1169	796
	3	2685	2536	2437	2138	2039	1840	1691	1343	1144	796
	4	2586	2461	2362	2064	1964	1765	1641	1318	1119	796
	5	2486	2387	2287	1989	1890	1691	1591	1293	1094	796
	K 1	2486	2387	2287	1989	1890	1691	1591	1293	1094	796
	2	2412	2312	2238	1964	1890	1691	1566	1243	1069	771
	3	2337	2238	2188	1939	1890	1691	1541	1193	1044	746
	4	2262	2163	2138	1914	1890	1691	1517	1144	1019	721
	5	2188	2088	2088	1890	1890	1691	1492	1094	995	696
	L 1	2188	2088	2088	1890	1890	1691	1492	1094	995	696
	2	2113	2014	2014	1840	1840	1641	1467	1069	970	671
	3	2039	1939	1939	1790	1790	1591	1442	1044	945	646
	4	1964	1865	1865	1740	1740	1541	1417	1019	920	622
	5	1890	1790	1790	1691	1691	1492	1392	995	895	597
	M 1	1890	1790	1790	1691	1691	1492	1392	995	895	597
	2	1815	1716	1691	1591	1566	1367	1268	945	845	572
	3	1740	1641	1591	1492	1442	1243	1144	895	796	547
	4	1666	1566	1492	1392	1318	1119	1019	845	746	522
	5	1591	1492	1392	1293	1193	995	895	796	696	497
	E.G. 0.65 carat SI-2 (clarity) G-1 (color) = \$2,188										

.80 Carat (80 points)											
CLARITY											
Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
D	1	12240	9547	8078	7222	6610	5753	5141	3550	2326	1469
	2	11475	9180	7895	7099	6487	5692	5080	3519	2295	1469
	3	10710	8813	7711	6977	6365	5630	5018	3488	2264	1469
	4	9945	8446	7528	6854	6242	5569	4957	3458	2234	1469
	5	9180	8078	7344	6732	6120	5508	4896	3427	2203	1469
E	1	9180	8078	7344	6732	6120	5508	4896	3427	2203	1469
	2	8905	7925	7191	6610	6028	5416	4804	3397	2173	1438
	3	8629	7772	7038	6487	5936	5324	4712	3366	2142	1408
	4	8354	7619	6885	6365	5845	5233	4621	3335	2111	1377
	5	8078	7466	6732	6242	5753	5141	4529	3305	2081	1346
F	1	8078	7466	6732	6242	5753	5141	4529	3305	2081	1346
	2	7895	7283	6610	6120	5661	5049	4468	3274	2081	1316
	3	7711	7099	6487	5998	5569	4957	4406	3244	2081	1285
	4	7528	6916	6365	5875	5477	4865	4345	3213	2081	1255
	5	7344	6732	6242	5753	5386	4774	4284	3182	2081	1224
G	1	7344	6732	6242	5753	5386	4774	4284	3182	2081	1224
	2	7160	6548	6059	5600	5263	4682	4223	3121	2050	1224
	3	6977	6365	5875	5447	5141	4590	4162	3060	2020	1224
	4	6793	6181	5692	5294	5018	4498	4100	2999	1989	1224
	5	6610	5998	5508	5141	4896	4406	4039	2938	1958	1224
H	1	6610	5998	5508	5141	4896	4406	4039	2938	1958	1224
	2	6334	5783	5355	5018	4774	4315	3917	2907	1928	1224
	3	6059	5569	5202	4896	4651	4223	3794	2876	1897	1224
	4	5783	5355	5049	4774	4529	4131	3672	2846	1867	1224
	5	5508	5141	4896	4651	4406	4039	3550	2815	1836	1224

Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
I	1	5508	5141	4896	4651	4406	4039	3550	2815	1836	1224
	2	5202	4896	4682	4437	4223	3917	3488	2754	1805	1193
	3	4896	4651	4468	4223	4039	3794	3427	2693	1775	1163
	4	4590	4406	4253	4009	3856	3672	3366	2632	1744	1132
	5	4284	4162	4039	3794	3672	3550	3305	2570	1714	1102
J	1	4284	4162	4039	3794	3672	3550	3305	2570	1714	1102
	2	4162	4039	3917	3672	3550	3397	3152	2448	1683	1102
	3	4039	3917	3794	3550	3427	3244	2999	2326	1652	1102
	4	3917	3794	3672	3427	3305	3091	2846	2203	1622	1102
	5	3794	3672	3550	3305	3182	2938	2693	2081	1591	1102
K	1	3794	3672	3550	3305	3182	2938	2693	2081	1591	1102
	2	3641	3519	3397	3182	3091	2876	2632	1958	1530	1071
	3	3488	3366	3244	3060	2999	2815	2570	1836	1469	1040
	4	3335	3213	3091	2938	2907	2754	2509	1714	1408	1010
	5	3182	3060	2938	2815	2815	2693	2448	1591	1346	979
L	1	3182	3060	2938	2815	2815	2693	2448	1591	1346	979
	2	3121	2999	2876	2754	2754	2632	2417	1561	1316	949
	3	3060	2938	2815	2693	2693	2570	2387	1530	1285	918
	4	2999	2876	2754	2632	2632	2509	2356	1499	1255	887
	5	2938	2815	2693	2570	2570	2448	2326	1469	1224	857
M	1	2938	2815	2693	2570	2570	2448	2326	1469	1224	857
	2	2876	2754	2632	2509	2479	2356	2234	1408	1163	796
	3	2815	2693	2570	2448	2387	2264	2142	1346	1102	734
	4	2754	2632	2509	2387	2295	2173	2050	1285	1040	673
	5	2693	2570	2448	2326	2203	2081	1958	1224	979	612
E.G. 0.80 carat SI-1 (clarity) I-1 (color) = \$4,039											

.90 Carat (90 points)											
CLARITY											
Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
D	1	17213	14321	12393	9777	8951	8400	7298	4682	3305	1928
	2	16455	14080	12118	9570	8847	8296	7229	4647	3270	1893
	3	15698	13839	11842	9364	8744	8193	7160	4613	3236	1859
	4	14940	13598	11567	9157	8641	8090	7092	4579	3202	1825
	5	14183	13357	11291	8951	8537	7987	7023	4544	3167	1790
E	1	14183	13357	11291	8951	8537	7987	7023	4544	3167	1790
	2	13977	13150	11085	8847	8469	7883	6954	4510	3133	1790
	3	13770	12944	10878	8744	8400	7780	6885	4475	3098	1790
	4	13563	12737	10672	8641	8331	7677	6816	4441	3064	1790
	5	13357	12531	10465	8537	8262	7574	6747	4406	3029	1790
F	1	13357	12531	10465	8537	8262	7574	6747	4406	3029	1790
	2	12909	12014	10087	8434	8159	7470	6644	4372	2995	1756
	3	12462	11498	9708	8331	8055	7367	6541	4338	2961	1721
	4	12014	10982	9329	8228	7952	7264	6437	4303	2926	1687
	5	11567	10465	8951	8124	7849	7160	6334	4269	2892	1652
G	1	11567	10465	8951	8124	7849	7160	6334	4269	2892	1652
	2	10982	10018	8778	8021	7746	7023	6265	4200	2857	1652
	3	10396	9570	8606	7918	7642	6885	6197	4131	2823	1652
	4	9811	9123	8434	7814	7539	6747	6128	4062	2788	1652
	5	9226	8675	8262	7711	7436	6610	6059	3993	2754	1652
H	1	9226	8675	8262	7711	7436	6610	6059	3993	2754	1652
	2	8882	8365	7918	7436	7160	6437	5887	3924	2720	1618
	3	8537	8055	7574	7160	6885	6265	5715	3856	2685	1584
	4	8193	7746	7229	6885	6610	6093	5542	3787	2651	1549
	5	7849	7436	6885	6610	6334	5921	5370	3718	2616	1515

Color		IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
I	1	7849	7436	6885	6610	6334	5921	5370	3718	2616	1515
	2	7539	7160	6678	6403	6128	5749	5233	3649	2582	1515
	3	7229	6885	6472	6197	5921	5577	5095	3580	2547	1515
	4	6919	6610	6265	5990	5715	5405	4957	3511	2513	1515
	5	6610	6334	6059	5783	5508	5233	4820	3443	2479	1515
J	1	6610	6334	6059	5783	5508	5233	4820	3443	2479	1515
	2	6334	6093	5852	5577	5301	5026	4613	3270	2410	1480
	3	6059	5852	5646	5370	5095	4820	4406	3098	2341	1446
	4	5783	5611	5439	5164	4888	4613	4200	2926	2272	1411
	5	5508	5370	5233	4957	4682	4406	3993	2754	2203	1377
K	1	5508	5370	5233	4957	4682	4406	3993	2754	2203	1377
	2	5301	5164	5026	4785	4510	4269	3890	2685	2134	1343
	3	5095	4957	4820	4613	4338	4131	3787	2616	2066	1308
	4	4888	4751	4613	4441	4165	3993	3683	2547	1997	1274
	5	4682	4544	4406	4269	3993	3856	3580	2479	1928	1239
L	1	4682	4544	4406	4269	3993	3856	3580	2479	1928	1239
	2	4579	4441	4303	4165	3924	3787	3511	2444	1893	1239
	3	4475	4338	4200	4062	3856	3718	3443	2410	1859	1239
	4	4372	4234	4097	3959	3787	3649	3374	2375	1825	1239
	5	4269	4131	3993	3856	3718	3580	3305	2341	1790	1239
M	1	4269	4131	3993	3856	3718	3580	3305	2341	1790	1239
	2	4165	4028	3890	3821	3683	3443	3167	2306	1756	1205
	3	4062	3924	3787	3787	3649	3305	3029	2272	1721	1170
	4	3959	3821	3683	3752	3615	3167	2892	2238	1687	1136
	5	3856	3718	3580	3718	3580	3029	2754	2203	1652	1102
E.G. 0.90 carat VS-2 (clarity) L-1 (color) = \$3,993											

1.25 carat (125 points)

CLARITY

Color	IF	VVSI	VVS2	VSI	VS2	SII	SI2	II	I2	I3
D 1	44561	33086	28114	21229	16639	13388	11284	8033	5355	3060
	2	41071	32034	27253	20846	16448	13196	11140	7937	3012
	3	37581	30983	26393	20464	16256	13005	10997	7841	2964
	4	34090	29931	25532	20081	16065	12814	10853	7746	2917
	5	30600	28879	24671	19699	15874	12623	10710	7650	2869
E 1	30600	28879	24671	19699	15874	12623	10710	7650	5164	2869
	2	29883	27970	24145	19221	15683	12479	10567	7554	2821
	3	29166	27062	23619	18743	15491	12336	10423	7459	2773
	4	28448	26153	23093	18264	15300	12192	10280	7363	2725
	5	27731	25245	22568	17786	15109	12049	10136	7268	2678
F 1	27731	25245	22568	17786	15109	12049	10136	7268	4973	2678
	2	25723	23619	21420	17308	14870	11858	10041	7220	2630
	3	23715	21994	20273	16830	14631	11666	9945	7172	2582
	4	21707	20368	19125	16352	14392	11475	9849	7124	2534
	5	19699	18743	17978	15874	14153	11284	9754	7076	2486
G 1	19699	18743	17978	15874	14153	11284	9754	7076	4781	2486
	2	18790	17882	17117	15204	13674	11188	9706	6981	2438
	3	17882	17021	16256	14535	13196	11093	9658	6885	2486
	4	16973	16161	15396	13866	12718	10997	9610	6789	2486
	5	16065	15300	14535	13196	12240	10901	9563	6694	2486
H 1	16065	15300	14535	13196	12240	10901	9563	6694	4590	2486
	2	15491	14774	13961	12718	11810	10567	9323	6550	2438
	3	14918	14248	13388	12240	11379	10232	9084	6407	2391
	4	14344	13722	12814	11762	10949	9897	8845	6263	2343
	5	13770	13196	12240	11284	10519	9563	8606	6120	2295

Color	IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3	
I	1	13770	13196	12240	11284	10519	9563	8606	6120	4208	2295
	2	13196	12670	11858	10997	10232	9323	8463	5929	4112	2295
	3	12623	12144	11475	10710	9945	9084	8319	5738	4016	2295
	4	12049	11618	11093	10423	9658	8845	8176	5546	3921	2295
	5	11475	11093	10710	10136	9371	8606	8033	5355	3825	2295
J	1	11475	11093	10710	10136	9371	8606	8033	5355	3825	2295
	2	11140	10806	10423	9849	9037	8319	7698	5259	3729	2247
	3	10806	10519	10136	9563	8702	8033	7363	5164	3634	2199
	4	10471	10232	9849	9276	8367	7746	7028	5068	3538	2152
	5	10136	9945	9563	8989	8033	7459	6694	4973	3443	2104
K	1	10136	9945	9563	8989	8033	7459	6694	4973	3443	2104
	2	9849	9658	9323	8798	7889	7315	6550	4877	3347	2056
	3	9563	9371	9084	8606	7746	7172	6407	4781	3251	2008
	4	9276	9084	8845	8415	7602	7028	6263	4686	3156	1960
	5	8989	8798	8606	8224	7459	6885	6120	4590	3060	1913
L	1	8989	8798	8606	8224	7459	6885	6120	4590	3060	1913
	2	8654	8463	8272	7889	7124	6550	5833	4399	3012	1913
	3	8319	8128	7937	7554	6789	6216	5546	4208	2964	1913
	4	7985	7793	7602	7220	6455	5881	5259	4016	2917	1913
	5	7650	7459	7268	6885	6120	5546	4973	3825	2869	1913
M	1	7650	7459	7268	6885	6120	5546	4973	3825	2869	1913
	2	7363	7172	6981	6598	5929	5355	4781	3729	2773	1865
	3	7076	6885	6694	6311	5738	5164	4590	3634	2678	1817
	4	6789	6598	6407	6024	5546	4973	4399	3538	2582	1769
	5	6503	6311	6120	5738	5355	4781	4208	3443	2486	1721
E.G. 1.25 carat I-1 (clarity) H-3 (color) = \$6,407											

1.75 carat (175 points)

CLARITY

Color	IF	VVSI	VVS2	VSI	VS2	SII	SI2	II	I2	I3
D 1	86951	70389	63700	49686	40131	30258	24843	15925	9874	5733
	2	82412	69035	61550	48890	39653	30019	24604	15766	9794
	3	77873	67681	59400	48094	39176	29780	24365	15607	9714
	4	73335	66328	57250	47297	38698	29541	24126	15447	9635
	5	68796	64974	55101	46501	38220	29302	23888	15288	9555
E 1	68796	64974	55101	46501	38220	29302	23888	15288	9555	5415
	2	66487	62267	54145	45546	37742	28904	23489	15129	9475
	3	64178	59560	53190	44590	37265	28506	23091	14970	9396
	4	61869	56852	52234	43635	36787	28108	22693	14810	9316
	5	59560	54145	51279	42679	36309	27710	22295	14651	9237
F 1	59560	54145	51279	42679	36309	27710	22295	14651	9237	5096
	2	55021	50721	48173	40768	35194	27073	21897	14492	9157
	3	50482	47297	45068	38857	34080	26436	21499	14333	9077
	4	45944	43873	41962	36946	32965	25799	21101	14173	8998
	5	41405	40450	38857	35035	31850	25162	20703	14014	8918
G 1	41405	40450	38857	35035	31850	25162	20703	14014	8918	4778
	2	39494	38539	37026	33443	30656	24763	20464	13855	8838
	3	37583	36628	35194	31850	29461	24365	20225	13696	8759
	4	35672	34717	33363	30258	28267	23967	19986	13536	8679
	5	33761	32806	31532	28665	27073	23569	19747	13377	8600
H 1	33761	32806	31532	28665	27073	23569	19747	13377	8600	4778
	2	32567	31770	30576	27789	26037	22852	19269	13218	8440
	3	31372	30735	29621	26913	25002	22136	18792	13059	8281
	4	30178	29700	28665	26037	23967	21419	18314	12899	8122
	5	28984	28665	27710	25162	22932	20703	17836	12740	7963

Color		IF	VVS1	VVS2	VS1	VS2	SI1	SI2	I1	I2	I3
I	1	28984	28665	27710	25162	22932	20703	17836	12740	7963	4459
	2	27789	27391	26436	24126	21977	19906	17279	12262	7803	4459
	3	26595	26117	25162	23091	21021	19110	16721	11785	7644	4459
	4	25400	24843	23888	22056	20066	18314	16164	11307	7485	4459
	5	24206	23569	22614	21021	19110	17518	15607	10829	7326	4459
J	1	24206	23569	22614	21021	19110	17518	15607	10829	7326	4459
	2	23091	22454	21578	20225	18393	16801	15049	10590	7166	4379
	3	21977	21340	20543	19429	17677	16084	14492	10351	7007	4300
	4	20862	20225	19508	18632	16960	15368	13934	10112	6848	4220
	5	19747	19110	18473	17836	16244	14651	13377	9874	6689	4141
K	1	19747	19110	18473	17836	16244	14651	13377	9874	6689	4141
	2	19190	18553	17916	17279	15766	14333	13059	9635	6609	4061
	3	18632	17995	17358	16721	15288	14014	12740	9396	6529	3981
	4	18075	17438	16801	16164	14810	13696	12422	9157	6450	3902
	5	17518	16881	16244	15607	14333	13377	12103	8918	6370	3822
L	1	17518	16881	16244	15607	14333	13377	12103	8918	6370	3822
	2	16881	16323	15766	15208	13855	12820	11625	8600	6211	3822
	3	16244	15766	15288	14810	13377	12262	11148	8281	6052	3822
	4	15607	15208	14810	14412	12899	11705	10670	7963	5892	3822
	5	14970	14651	14333	14014	12422	11148	10192	7644	5733	3822
M	1	14970	14651	14333	14014	12422	11148	10192	7644	5733	3822
	2	14412	14094	13775	13457	11944	10829	9874	7326	5415	3663
	3	13855	13536	13218	12899	11466	10511	9555	7007	5096	3504
	4	13297	12979	12660	12342	10988	10192	9237	6689	4778	3344
	5	12740	12422	12103	11785	10511	9874	8918	6370	4459	3185
E.G. 1 1/2 carat SI-2 (clarity) K-4 (color) = \$12,422											

To Thine Own Self Be True:

What Kind of Customer Are You?

In my years in the business, I've come across five basic kinds of folks who buy diamonds. Tell me what type you are, and I'll recommend what grade of diamond you should buy.

Customer #1 will tell me the three most important things about a diamond are size, size, and size. The bigger the better, never mind if the stone is yellow and has a few black spots or cracks!

My recommendation:

Weight 1 carat plus

Clarity I2

Color L–M

Diamond Myth

“Diamonds are a bad investment.”

Diamonds are probably not a great investment for the average person, but they are not a bad investment for someone who buys wisely and well. Since the diamond crash of 1979, when one-carat flawless diamonds fell in value from \$75,000 to \$15,000, diamond prices have increased steadily. That's largely due to the tightly controlled world diamond market.

Customer #2 also wants a big diamond, but size isn't the only thing. A little quality wouldn't hurt. Maybe the diamond can be slightly yellow, but please, no obvious cracks or spots. Maybe some teeny spots that can hardly be seen.

My recommendation:

Weight .50 carat or bigger

Clarity SI2 to I1

Color K

Customer #3 is a balanced kind of person, yin and yang. Size and quality are equal values. The diamond doesn't have to be perfect, but it should be clean to the eye, white, and sparkly.

My recommendation:

Weight .50 carat or bigger

Clarity SI1

Color I(1) to J(3)

Customer #4 demands Quality, with a capital "Q." Everything else is secondary. The diamond must be not only eye-clean, but clean when viewed with a 10X loupe, and bright white without a hint of yellow.

My recommendation:

Weight .50 carat or bigger

Clarity VS1

Color G

Customer #5 isn't getting engaged, or buying an anniversary stone. The diamond is an investment, to be locked away and later resold for a profit.

My recommendation:

Shape Round (No other!)

Weight 1 carat or bigger

Clarity VVS1 to Flawless

Color D, E, or F

Take a look at this chart. Find your type, your budget, and the size diamond you'll be able to afford. This table will help you get the most bang for your buck, whatever type of customer you happen to be.

Buying Guide by Customer Type

Type					
Budget	1	2	3	4	5
\$250	.33 carat	.30 carat	.25 carat	n/a	n/a
\$500	.33 carat	.33 carat	.25 carat	n/a	n/a
\$750	.50 carat	.45 carat	.33 carat	n/a	n/a
\$1,000	.65 carat	.50 carat	.45 carat	.25 carat	n/a
\$1,250	.75 carat	.65 carat	.45 carat	.33 carat	n/a
\$1,500	.80 carat	.65 carat	.50 carat	.33 carat	n/a
\$1,750	.80 carat	.80 carat	.50 carat	.45 carat	.33 carat
\$2,000	.80 carat	.80 carat	.65 carat	.45 carat	.33 carat
\$2,250	1.00 carat	.80 carat	.65 carat	.50 carat	.45 carat
\$2,500	1.25 carat	.90 carat	.65 carat	.50 carat	.45 carat
\$2,750	1.25 carat	.90 carat	.65 carat	.50 carat	.45 carat
\$3,000	1.25 carat	.90 carat	.65 carat	.50 carat	.45 carat
\$3,500	1.50 carat	.90 carat	.80 carat	.65 carat	.45 carat
\$4,000	1.50 carat	1.00 carat	.80 carat	.65 carat	.65 carat
\$4,500	1.75 carat	1.25 carat	.80 carat	.65 carat	.65 carat
\$5,000	2.00 carat	1.25 carat	.90 carat	.75 carat	.65 carat

Type					
Budget	1	2	3	4	5
\$5,500	2.00 carat	1.40 carat	.90 carat	.80 carat	.65 carat
\$6,000	2.00 carat	1.40 carat	.90 carat	.80 carat	.65 carat
\$7,000	2.00 carat	1.50 carat	1.00 carat	.80 carat	.80 carat
\$8,000	3.00 carat	1.50 carat	1.00 carat	.90 carat	.80 carat
\$9,000	3.00 carat	1.75 carat	1.25 carat	.90 carat	.80 carat
\$10,000	3.00 carat	2.00 carat	1.40 carat	.90 carat	.90 carat
\$11,000	n/a	2.00 carat	1.40 carat	1.00 carat	.90 carat
\$12,000	n/a	2.00 carat	1.50 carat	1.00 carat	.90 carat
\$13,000	n/a	2.00 carat	1.50 carat	1.25 carat	.90 carat
\$14,500	n/a	3.00 carat	1.50 carat	1.40 carat	1.00 carat
\$15,000	n/a	3.00 carat	1.50 carat	1.40 carat	1.00 carat
\$15,500	n/a	n/a	1.50 carat	1.40 carat	1.00 carat
\$16,000	n/a	n/a	1.50 carat	1.40 carat	1.00 carat
\$16,500	n/a	n/a	1.75 carat	1.40 carat	1.00 carat
\$17,000	n/a	n/a	1.75 carat	1.40 carat	1.00 carat
\$17,500	n/a	n/a	1.75 carat	1.40 carat	1.00 carat
\$18,000	n/a	n/a	1.75 carat	1.40 carat	1.25 carat
\$18,500	n/a	n/a	1.75 carat	1.40 carat	1.25 carat
\$19,000	n/a	n/a	1.75 carat	1.40 carat	1.25 carat
\$19,500	n/a	n/a	1.75 carat	1.40 carat	1.25 carat
\$20,000	n/a	n/a	1.75 carat	1.50 carat	1.25 carat
\$25,000	n/a	n/a	2.00 carat	1.50 carat	1.40 carat
\$30,000	n/a	n/a	2.00 carat	1.75 carat	1.50 carat
\$35,000	n/a	n/a	2.00 carat	1.75 carat	1.50 carat
\$40,000	n/a	n/a	3.00 carat	2.00 carat	1.50 carat
\$45,000	n/a	n/a	3.00 carat	2.00 carat	1.50 carat
\$50,000	n/a	n/a	3.00 carat	2.00 carat	1.75 carat

Too Good to Be True

Is it actually possible for a diamond to be priced too low? You'd think not, but be careful. The prices in this book are wholesale, not retail. If the price of a diamond is dramatically lower than the prices in this book—beware! Nobody gives away a good diamond; they discount the stinkers. Notice how much the price of a diamond drops when it's a Class III or a Class IV, versus a Class I or Class II.

At least one of the following is most likely going on:

1. The clarity, color, or weight has been overgraded.
 2. It's an off-make (poorly proportioned) Class III or Class IV.
- It is poorly warranted (bad return, trade-in, or breakage policy).

How Much Is a 1 Carat VS1, G?

This may seem like a reasonably easy question for someone in the jewelry industry to answer, but it's actually quite difficult if the quote is to be accurate. In fact, an accurate answer cannot be derived due to lack of information. Probability comes into play when we don't have the information needed to make an informed decision. When we don't have enough data, all we are left with are "reasonable guesses." Here are just some of the things we don't know: For starters, what type of 1ct are we talking about: a shy, full, heavy, or true? What type of VS1 are we talking about: a hard, lab, bonded, paperless, partial, split, universal, or soft? What type of G: G1, G2, G3, G4, or G5? How well proportioned is it: Class I, Class II, Class III, Class IV, Ideal, Signature, Hearts and Arrows, Eight Star, High Definition, or Kaplan? If they use one of these titles to advertise the diamond is well-proportioned, what are the specifics

in angles, percentages, and ratios of that brand? Once you know the specifics (proportions), do they give you enough measurements to determine if the crown angles and pavilion angles are universal or if the diamond is warped? Please don't forget about fluorescence. Is the diamond fluorescent? If it is, is it strong, medium, or faint fluorescence? Was the diamond annealed, fracture filled, bleached, assembled, or laser drilled? What equipment was used to measure the diamond? Was the equipment calibrated before it was used? Does the paperwork that comes with the diamond really match the stone? Where did the diamond come from? Is it a blood diamond? Is it a secondary market diamond? Finally, once you ask every last detail, how can you know what you've been told is factual?

Time for a joke. There are three men on a train—an economist, a logician, and a mathematician. They have just crossed the border into Scotland and they see a brown cow standing in a field. The cow is standing parallel to the train.

The economist says, "Look. The cows in Scotland are brown."

The logician says, "No. There are cows in Scotland, of which at least one is brown."

The mathematician says, "No. There is at least one cow in Scotland, of which one side appears to be brown."

How much is a 1ct, VS1, G? If you were to ask the economist, he might give you more than one answer. If you were to ask the logician, he would be smart enough to ask what type of 1ct, VS1, G you were talking about. And finally, if you were to ask the mathematician, he would say, "Did you forget about one thing? How much profit does the seller want to make?"

Inflation Beaters

According to Bottom Line Personal magazine, in the last twenty years, only two categories of collectibles have stayed ahead of inflation. Stamps, at an average return of 9.1 percent, and diamonds, at 7.9 percent per year!

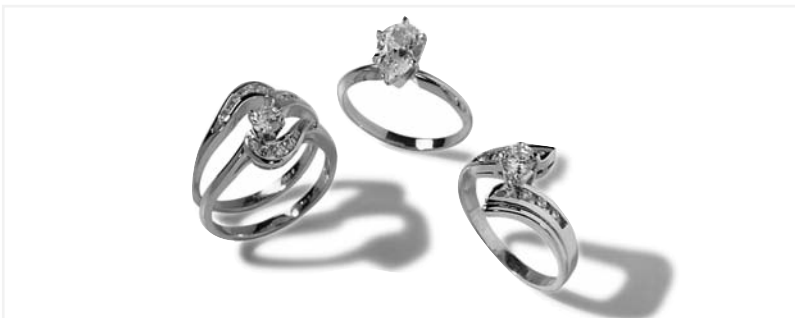
Ring Settings

Once you have decided on a diamond, you'll need to select a setting. I mean, diamonds are beautiful, but what good are they unless you can wear them?

There are three basic types of ring settings: the Tiffany Setting, Bridal Sets, and Diamond Wedding Rings.

Tiffany

The Tiffany Setting, named after the famed jeweler Louis C. Tiffany, is a simple, elegant setting that lets the diamond be the star of the show and be in the spotlight. In a Tiffany Setting, the stone is held by four to six prongs, depending on the shape of the diamond.



Three basic styles of settings: Bridal Set (far left), the Tiffany (middle), and Diamond Wedding Ring (right).

***Note:** When buying a ring that uses prongs to hold the diamond, make sure the prongs are white gold or platinum. Yellow gold prongs will give the stone a yellow cast.*

Bridal Sets

The bridal set is a perennial favorite. It consists of an engagement ring and a wedding band made to fit together to look like one ring.

Diamond Wedding Rings

The diamond wedding ring is large enough to be worn by itself, and can serve as the engagement ring and the wedding ring all in one. In many of these settings there is a main diamond surrounded by several smaller stones.

Accents: Baguettes, Melees, Trilliants

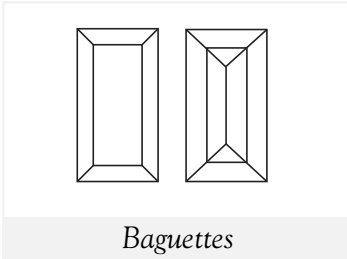
These are small diamonds that are set around the main stone.

Baguettes are small, elongated diamonds, usually under .15 carat in weight, either tapered or nontapered. Melees are round diamonds, under .20 carat. Trilliants are triangular in shape, usually under .33 carat.

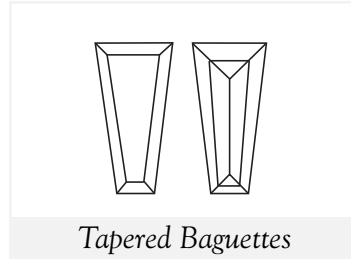
Quadrillions under .15 carat cost around \$1,850 to \$2,350 per carat. Baguettes under .15 carat cost approximately \$2,000 per carat. Trilliants under .33 carat cost approximately \$3,000 per carat. Melees under .20 carat cost around \$1,500 to \$1,750 per carat. (Wholesale prices, based on SI1, H through I(3) color grade.)

Adding Color

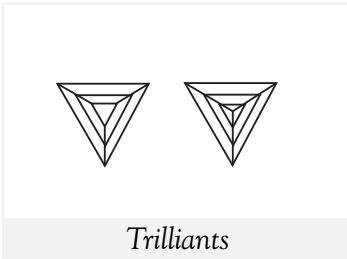
Of course, diamonds are a girl's best friend, but rubies, sapphires, emeralds, and other colored stones are pretty good pals, too! Many women like to surround their diamonds with colored gems, or



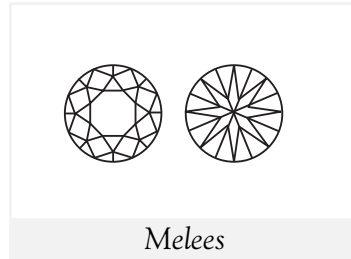
Baguettes



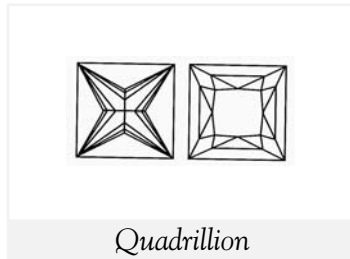
Tapered Baguettes



Trilliants



Melees



Quadrillion

vice-versa, and your True Love might like her diamond accented with her birthstone. There are some stunning combinations of diamonds and other precious stones. Ask your jeweler to show you some.

A Word About Gold...

Most engagement rings and wedding bands are made of gold. Pure gold is stamped 24K (24 Karat), which means it has not been mixed with any other metals. We don't use 24K gold for jewelry because it's too soft, and will bend too easily.

18K gold is 75 percent pure gold. Other metals such as copper, zinc, or nickel have been added for strength.

14K gold is 58.5 percent pure gold, and 41.5 percent other metals for strength.

10K gold is mostly other metals and should not be considered for jewelry.

You might see gold jewelry stamped with a number—750 or 585. This is the European system of grading gold. Pure gold is 1000, or 24K; 750 is 75 percent pure gold, or 18K; 585 is 58.5 percent pure gold, or 14K.

...And Platinum

Platinum is a rarer metal than gold, and somewhat harder for a jeweler to work with. As you might guess, this makes it more expensive than gold. It is stronger than gold and therefore holds the diamond more securely—and some women prefer platinum because they feel it shows off the diamond better than gold.

Platinum Doping

The platinum world is being turned upside down and I thought someone should let you know. But, before we get into that, I need to make you a platinum aficionado. So, I went to Google and typed in “what is the definition of platinum?”

This is some of what I got:

- “One of the rarest precious metals, platinum is also one of the strongest and heaviest, making it a popular choice for setting gemstone

jewelry and watches. It has a rich, white luster and an understated look. Platinum is hypoallergenic and tarnish resistant. Platinum used in jewelry and watches is at least 85 to 95 percent pure. Many platinum watches are produced in limited editions due to the expense and rarity of the metal.”

- “Rare, silvery white metallic element of great strength, weight, and resistance to corrosion. Difficult to alloy, cast, and work owing to its very high melting point. The standard of platinum in the US and most western countries is 95 percent pure and is marked PLAT. From platina, little silver, the word the Spanish gave it when first seen in South America in the eighteenth century.”

- “Platinum is a white metal, but unlike gold it is used in jewelry in almost its pure form from 85, 90, or 95 percent pure. Platinum is very hard and is extremely long wearing and is very white, so it does not need to be rhodium-plated like white gold. Platinum is very dense making it much heavier than 18k gold. Because platinum is hard it is best suited for setting the large, valuable stones. The platinum prongs for setting stones would be stronger than the setting made with softer gold.”

- “A dense (heavy) silvery grey metal, atomic number 78, atomic weight 195.078 , used by pre-Columbian South American Indians, and rediscovered in the eighteenth century. Its first use for coins was by Russia in 1828, following the discovery of large platinum deposits in the Ural Mountains in 1822.”

Platinum was never less than 85 percent pure under any definition. Well, now platinum is being DOPED! Large metal manufacturers

are taking pure platinum and cutting it with copper and cobalt! The product is being sold as 585 platinum. The 585 stands for 58.5 percent pure platinum and 41.5 percent copper and cobalt. The C&C (copper and cobalt) is used as a filler. By diluting the platinum with cheaper alloys the manufacturer can practically double his profits. This comes at the expense of you, the consumer, if you think you are getting the real McCoy. The large manufacturers that are producing this product tell me that they are not breaking any Federal Trade Commission guidelines as long as they inform the consumer (you) that you are buying watered down platinum with the 585 stamp inside the ring. The problem comes in when the doped platinum gets sold over and over down the supply chain and less scrupulous vendors decide to remove the 585 and leave just the plat stamp. (This can be done in less than sixty seconds on a polishing wheel). Then you decide to go online and buy what appears to be a great deal on a platinum band only to possibly find out later (when it cracks, craters, discolors, or your finger breaks out in a rash) that you have been duped by doping!

How can you protect yourself

- Only buy a platinum ring (or other precious metal ring) from a well known manufacturer that offers vacuum poured and vacuum pressed products and will put in writing and guarantee the platinum content of your ring (90 to 95 percent pure is a good measuring stick with 5 to 10 percent iridium).
- A standard 6mm ($\frac{1}{4}$ inch) comfort fit platinum band weighs 12–13grams. A doped platinum ring will come in weighing over 33 percent less at 8.6 grams (approximately).

- The color can also be a dead give away; all the pieces I examined couldn't be polished up to hold a true white luster but more of a grey luster. What makes visual identification so difficult is 585 can be dipped in rhodium (a platinum group metal) to mimic the look of real platinum.
- Melting point. Since the melting point of true platinum is so much higher than that of doped platinum, the minute a torch touches the imposter its shell will oxidize (crust with black film). Of course this test requires a jeweler and a torch; not necessarily things you have laying around your garage.

Let's look at this another way: when does milk stop becoming milk? We all know what it is—a whitish liquid containing proteins, fats, lactose, and various vitamins and minerals. Should there be a point when, if we tamper with its composition, we should no longer be allowed to call it milk? The answer would seem to be no if you go to your local grocer. There is soy milk, 2 percent, low-fat, skim, lactose-free, and whole milk just to name a few. There appears to be no end to the amount of diluting or modifying of milk that will cause the consumer to yell foul. But what if they start marketing a type of milk called "Royal Milk," "Tru Milk," or "Simply Milk" and told you it was "dip your chocolate chip cookie in it" good! Tasty and more affordable than regular milk. Would you go buy it? What if you discovered that these new milk products were simply one gallon of fresh, cold, delicious milk and one gallon of tap water; does that sound like "Royal Milk," "Tru-Milk," or "Simply Milk"? How much tap water would you allow to be mixed with your precious milk before you simply wouldn't drink or buy it anymore? One gallon? Two gallons? Or would you allow three gallons of tap water with your milk?

A few months ago I raised my hand (politely) and helped tell anyone who would listen that companies were watering down platinum and I didn't think it was right. I explained all the pitfalls to diluting platinum and how you the consumer could protect yourself. Unfortunately, manufacturers are trying to stay one step ahead of all of us. Instead of picking a new name for their product that would easily identify it for what it is, they are riding platinum's coattails and clever marketing to get you to purchase their product. It reminds me of the folks who like to put "low fat" in front of everything they sell to make you feel better about eating an Oreo cookie. "Low fat" and "No fat" are hardly the same thing. Platinum and low platinum aren't either. By introducing products into the market under the brand name "Royal Platinum," "Tru-Platinum," or "Simply Platinum" when they aren't royal, 100 percent true, or just simply platinum is crossing the line. In my last article I reported how copper and cobalt were being used to dope platinum. Now these pseudo-platinum products are being created by mixing \$2,000-an-ounce platinum with \$400-an-ounce palladium, then marketing them with a lot of interesting claims: "As good as," "100 percent hypoallergenic," and "Pure precious metal."

If just one person gets a piece of cheap imitation platinum jewelry and believes it to be the real thing it is one person too many in my book. Obviously, we all understand what the marketers are trying to do. They are trying to bring platinum to the masses. If the masses can't afford it we'll just dope it down and dilute it 'till they can. They believe that the average Joe is just too stupid to understand he's being screwed! Guess what? I'm an average Joe and I'm not stupid. I'll write a new article every time someone pulls a fast one. I'll keep you informed. In the mean time, if someone wants to put the word

“Royal,” “Tru,” or “Simply” in front of your platinum please know it isn’t really platinum. Now I’ve got one more question for you:

“Got milk?”

Palladium VP *(The New Palladium)*

Readers will recall that when platinum prices started spiking a few years ago, manufacturers were quick to tout alternative metals that could offer all the benefits of platinum (strength, durability, rarity, beauty) at an affordable price. White gold, while always a good stand-by, still couldn’t fill platinum’s shoes due to discoloring problems associated with mixing pure gold with pot metal alloys such as copper, nickel, and zinc.

The industry’s “knee jerk” solution was to sell diluted platinum or palladium (a platinum metals group; cousin to platinum) to hit consumer price points that platinum could no longer meet. Doped platinum (585 platinum) had a short life when consumers and consumer advocate groups stood up against the inferior product, and the huge manufacturing plants that invested millions in doped platinum quickly went out of business. Mexican palladium, as it has been so eloquently nicknamed, has proved resilient through vendors such as Kay’s, Zales, and online discounters looking to make a quick buck without informing the consumer of the downside of manufacturing palladium in an unsterile environment with poor quality control. Consumer complaints of rings breaking, cracking, and just falling apart within the first couple of years are piling up by the thousands.

I previously pointed out the pitfalls of using inferior metals or quality metals poorly melded together. All that said, the top manufacturers of wedding bands have developed a palladium product called Palladium VP (which stands for vacuum poured and vacuum pressed.) These gurus found a way to take a mixture that is 95% palladium and 5% ruthenium and iridium and vacuum pour it in a sterile environment so neither air or foreign contaminants could enter the mix. Then the product is vacuum pressed to create the tightest sub-atomic bond possible to produce one tough band! The Palladium VP products are only available in men's and some ladies' wedding bands but from my vantage point they have hit a home run! The old palladium problems of being too soft, pitting, and cracking have all disappeared with Palladium VP! They have literally created a product that is hypoallergenic, durable, beautiful, and rare, just like platinum, at half the price! Palladium VP also comes with all the guarantees you'd expect—lifetime sizing guarantees and 100% destruction guarantees! You can run it over with a truck and they will still replace it for free (guarantees vary from vendor to vendor). Palladium VP fits the gap between \$500-\$700 white gold gents' wedding band and the \$2000-\$3000 gents' platinum band, coming in at a comfortable \$1000-\$1400 price point for an average 6mm heavy comfort fit band!

The question I keep getting asked is “how do I know if I'm getting sold Palladium VP vs. its inferior, south of the border counterpart?” Well, it's simple! Here's what to look for:

- All Palladium VP is stamped Pal-VP
- All Palladium VP products come with a lifetime destruction guarantee and sizing guarantee

And finally, look at the price! Counterfeiters could take Mexican Palladium and stamp it VP but they won't be able to sell it at white gold prices (\$500-700). If the vendor you're thinking of buying from says they can sell you a 6mm half round heavy comfort fit Palladium VP ring for under a grand, they are probably trying to pull the wool over your eyes. As long as platinum prices are overly inflated, I think it's only natural to look for an alternative. Palladium VP is to platinum what Ethanol is to fossil fuel gasoline. It's just a smart way to go!

How Do I Get My True Love's Ring Size?

The simplest way, of course, is to ask her. The only problem with this method is that it might tip her off that you're going to propose. For many suitors, that would be a disaster—statistics show that seven out of ten men shop alone and plan to surprise their intended. The other three take the low-risk route—they propose first, then shop for a diamond with the lady. If you're in the latter group, you can check her ring size at the jeweler's.

Another way is to get your hands on a ring she has worn on her third finger, left hand. Take it to a jeweler, who can quickly tell you the ring size. Don't forget to return the ring promptly!

A third way is to ask her mother. This might be even scarier than proposing, but going to her mom first can be a great idea. It can often tell you three key things: One, your beloved's ring size. Two, how the parents feel about you as a potential son-in-law. And, three, the mom can give you a pretty good reading on how your proposal will be received. This way you'll be a lot more sure of the outcome before making this expensive purchase.

Gold "Allergy"

Some women, after wearing gold jewelry for awhile, will find that it leaves a black mark or smudge on their skin. This is caused by perspiration reacting with the metals mixed with the gold, and not from a "gold allergy." Usually a switch from 14K to 18K gold will solve the problem. But if you are the one-in-a-million who still reacts to 18K, switch to platinum. Your body has expensive tastes!

Picking the Jeweler

Now that you know what you're looking for, and how to look, the next step is to determine where to shop for your diamond. Before you visit every jeweler in the area, "let your fingers do the walking." You'll find lots of jewelers in the Yellow Pages, under "Jewelers, Retail," and also under "Diamonds, Wholesale." Many merchants advertise in both places. You'll see a variety of information in the advertisements. Some will only mention their "lowest prices." Others will note that the jeweler is a "Graduate Gemologist," or that they sell "GIA Lab Graded" diamonds. To narrow down your search, limit it to jewelers who advertise their GIA and Gemologist credentials.

Using the following questionnaire sheet, spend an hour on the phone calling jewelers and screening them to make sure they have the qualifications you're after. Add up the scores, and visit the top three on your scoreboard.

Jeweler Questionnaire Sheet (J.Q.S.): A Worksheet

Enter the points earned for each answer.

Score

_____ 1. *How do their prices compare to the wholesale prices listed in this book?*

- | | |
|--------------------|-----------|
| At wholesale | (75 pts) |
| 10% over wholesale | (25 pts) |
| 50% over wholesale | (10 pts) |
| Double wholesale | (-10 pts) |

_____ 2. *Can they supply a lab grading report with the diamond?*

- | | |
|-----|----------|
| Yes | (15 pts) |
| No | (0 pts) |

_____ 3. *Can they provide an appraisal by a GIA graduate?*

- | | |
|-----|----------|
| Yes | (15 pts) |
| No | (0 pts) |

_____ 4. *Do they have a gem laboratory where the stone can be viewed?*

- | | |
|-----|----------|
| Yes | (15 pts) |
| No | (0 pts) |

_____ 5. *Do they have a master set of diamonds for color grading?*

- | | |
|-----|----------|
| Yes | (15 pts) |
| No | (0 pts) |

_____ 6. *Do they have a gem diamond light for color grading?*

- | | |
|-----|----------|
| Yes | (15 pts) |
| No | (0 pts) |

- _____ 7. Do they have an ultraviolet light to check for fluorescence?
Yes (15 pts)
No (0 pts)
- _____ 8. Do they have a 10X 20.5mm triplet loupe?
10X 20.5 triplet (15 pts)
Any 10X loupe (10 pts)
- _____ 9. Do they have a gem scope or microscope to view diamonds?
Yes (15 pts)
No (0 pts)
- _____ 10. Do they use the GIA grading scale for color and clarity?
If they use the GIA scale (15 pts)
An automatic disqualification if they do not.
- _____ 11. Are the diamonds loose (not mounted)?
If the answer is yes (15 pts)
If the answer is no, this is an automatic disqualification!
- _____ 12. Can they provide a Sarin or Megascop report?
Yes (15 pts)
No (-15 pts)
- _____ 13. Do they have an electronic scale to weigh the diamonds?
If the answer is yes (15 pts)
If the answer is no, this is an automatic disqualification!

- _____ 14. *Do they custom-cut diamonds to order?*
Yes (15 pts)
No (0 pts)
- _____ 15. *Do they make their own jewelry on the premises?*
Yes (15 pts)
No (0 pts)
- _____ 16. *How large is their loose-diamond inventory?*
\$250,000 and over (50 pts)
Under \$250,000 (0 pts)
- _____ 17. *Do they own the inventory, or are they dealing in memorandum diamonds?*
If they have their own inventory (25 pts)
- _____ 18. *What is their trade-in policy?*
Equal to what you pay for the diamond (20 pts)
Less than what you pay for the diamond (0 pts)
No trade-in policy (-25 pts)
- _____ 19. *Do they have a return policy?*
If they have a 30, 60, or 90-day unconditional return policy (20 pts)
For a return policy based on possible misrepresentation, that is, if you find that the stone isn't exactly what the jeweler said it was (15 pts)
Automatic disqualification for no return policy.

- _____ 20. *Do they have an unconditional buy-back policy?*
Yes (100 pts)
No (0 pts)
- _____ 21. *Does the store specialize in diamonds (or do they also sell watches, gold chains, etc.)?*
Yes (10 pts)
No (0 pts)
- _____ 22. *Where is the store located?*
If the store is in an office building, such as Boston's Jewelers' Building (15 pts)
If the store has an ordinary street address (0 pts)
If the store is in a mall (-10 pts)
- _____ 23. *How long has the store been around?*
More than two years (10 pts)
Less than two years (0 pts)
- _____ 24. *Is the jeweler American Gem Society (AGS) rated?*
Yes (10 pts)
No (0 pts)
- _____ 25. *Do they have a GIA graduate on staff?*
Yes (15 pts)
Automatic disqualification if they do not.
- _____ 26. *Do they see customers by appointment only?*
Yes (15 pts)
No (0 pts)

_____ 27. Do they have a breakage guarantee on the diamond?

Yes (40 pts)

No (0 pts)

_____ Total Score

Rating

500–600 points = Superior

460–499 points = Excellent

375–459 points = Good

325–374 points = Acceptable

275–324 points = Marginal

Below 275: Keep looking!

WHO'S YOUR JEWELER? AND HOW THEY CATEGORIZE YOU

There are three categories of jewelers. A jeweler is either Brick & Mortar (B&M—has a physical store front); Virtual (internet based—no physical store front); or combo B&M and Virtual. I am not including TV vendors for this article because they only deal in commercial quality and costume jewelry.

Within all three categories of jewelers there are four distinct approaches used in selling based on four customer types: the Discounter, the Bargain Shopper, the Brander, and the Better Thans.

- A. The Discounter:** The discount shopper isn't particularly interested that an item is top of the line as long as their particular need gets satisfied. They focus on "category needs" not "detailed needs." A discounter buys a car to get from point A to B, not because of how sexy they will look in it or what their neighbors will think. A discounter buys toilet paper, cars, bikes, trucks, and TVs. The rest of us buy Charmin, Lexus, Harley, Ford, and Sony. The Discounter's motto is "Get the job done at the lowest possible price." These are the people that will be in line at 2:00 a.m. outside Best Buy in the frigid cold on Black Friday (day after Thanksgiving) in order to get something for as close to nothing as possible.
- B. Bargain Shopper:** Wal-Mart has proven that most of us are bargain shoppers; quality merchandise at a low price. Unlike the discounter mentality, the bargainer isn't willing to waste the time and effort that it takes to buy at the absolutely, positively, guaranteed lowest price. They want quality merchandise (generally name brand) but at a savings. Bargainers love to compare notes with other bargainers about what a great deal they got on their new Sony DVD or flat screen. Bargainers will make the effort to visit a few stores until they are reasonably sure they've done well and quit shopping. Whereas the Discounters will only tend to stop shopping when they've been to every store in their area. Of course with the internet it's taking longer and longer to "shop around."
-

C. The Brander: Like the Bargain shopper, the Brander wants quality but he's also looking for an emotional connection with the brand. Something that represents him or her. Something that tells the world who they are. Price is less important to Branders than actually having the item that other people have so they can connect with them. That's why celebrity endorsements work so successfully. If an individual sees a celebrity endorse a product, or better yet actually use the product, they form a bond with the product. "Let's see, Robert DiNiro uses the American Express card. If I have an American Express card, then Robert and I have something in common! We're connected in some cool cosmic way!" Branders want to buy products that other groups tend to buy. These groups are not limited to but include women, men, the wealthy, the affluent, the sexy, the smart, etc. A Brander may not even "need" a product but purchases it anyway because others in their identity group have the same item.

D. The Better Thans: As the title insinuates, the Better Thans honestly believe that on some social, economic, intellectual level they are "better than" others. There's the right religion, the right political party, the right everything. Naturally, for them to be right, many have to be wrong or "less than." Better Than shoppers only want products that the masses can't have and if the masses get it, then they don't want it. Yesterday, I was shopping with my wife and we wandered into Cartier. They had a pink diamond, yellow diamond, and white diamond, tight knit pave, rolling ring that I could produce for about 5K. They were selling it for \$52,000! And you know what? They are selling them! And the reason they are selling them is that they are so

expensive. It isn't enough to just own jewelry anymore. The consolidators like Costco, Sam's, Wal-Mart, J.C. Penny's, and Blue Nile burst that bubble. People are hung up on where they bought it; when they bought it (the right season); and what they spent. Louis Vuitton has made a fortune as a mega successful brand name because of recognition of their line. When people see someone with one of their hand-bags, every one immediately knows, "Wow! That hand-bag cost major \$\$\$! They must be somebody!" (P.S. Last time I checked, we were all somebodies.) Louis Vuitton even has a new spring and winter line that is only available to their top clients (clients that have spent over 100K with them) that nobody else can buy during that season! In some cases they will only release ten of a type of hand-bag and let the socialites and celebrities duke it out for the power purse. I've been accused many times of being a Better Than because of some choices I made. My Patek Philippe or Rolex watch is a popular "Better Than" selection. My problem is that in most cases there seems to be a direct correlation between quality (which is important to me) and the "Better Than" brands. But I'm also the same guy who was at Target this weekend to stock up on toilet paper. Grocery store prices are too high. To Better Thans, the importance price plays in the buying decision is that it has to be priced high enough that most people can't afford it.

The Pitch

Now that I've described the four customer mind sets, let me outline how the jewelry industry attacks each to get your hard-earned dollar. They know there are many different avenues you can take to buy

a piece of jewelry. You can visit a jewelry store that specializes in selling jewelry. This of course could be a mom & pop store or a national jewelry chain. You can visit a department store that has a jewelry department or even a “superstore” like Wal-Mart where you can buy a new pair of jeans, a gallon of milk, and a new engagement ring at the same time! There are high end jewelry stores like Tiffany, Cartier, Harry Winston (also referred to as guild jewelers); and of course you can surf the web. If we set aside Wal-Mart, the top three companies that sell jewelry in the United States are Zales, Sterling, and Finlay. Together they are responsible for almost 5 billion dollars worth of sales annually out of their 4,375 stores nationwide. In a survey of young, upwardly mobile, professional couples, 93.7% told me they would never consider purchasing a major piece of jewelry from a mall jeweler. When I pointed out that there were some pretty high end stores like Tiffany and Cartier that happened to be in malls they commented by a ratio of 4 to 1 that they would not shop at Tiffany’s or Cartier either, because you were just paying for a name. When I asked about companies like Bailey, Banks & Biddle; Mappins; Friedlanders; Marks & Morgan; Osterman; Jared the Galleria of Fine Jewelry; the usual response was “Well, yeah sure; someone in-between the high enders and the discounters like Kay’s; J.B. Robinson; Zales; Gordon’s, and such.” When I asked what was wrong with Kay’s or Zales, the general response from these college educated affluent young men and ladies was they were for people who need to buy in installments; the salespeople weren’t perceived as knowledgeable; and the décor was, well, in a word, “déclassé.”

So it seems people tend to shop where they believe they fit in. Kinda like Goldilocks, the choice has to be just right. However, though people believe they are being given a choice of where to

shop, in reality, the deck has been stacked. What the big jewelry retailers did decades ago was buy up most of the mom & pop jewelers. These are the same jewelers that spent decades building a loyal clientele and then were bought up by the big corporations, leaving, of course, the original owner's name on the awning so you, the loyal clientele, wouldn't be the wiser. For the first time I'm listing for all to see the true owners of the jewelry stores you frequent, so you know exactly who is getting your money.

Zales Corp.	Store names	
901 W. Walnut Hill Lane Irving, TX 75038 972-580-4000 fax: 972-580-5336	ZLC Direct	Zales Jewelers
	Gordon's Jewelers	Zales Outlet
	Mappins Jewelers	Piercing Pagoda
	Peoples Jewelers	

Sterling Jewelers	Store names	
375 Ghent Road Fairlawn, OH 44333 330-668-5000 fax: 330-668-5052 US subsidiary of Signet Group (U.K.)	Belden Jewelers	J.B. Robinson
	Friedlander's Jewelers	LeRoy's Jewelers
	Goodman Jewelers	Osterman Jewelers
	Rogers Jewelers	Shaw's Jewelers
	Weisfield Jewelers	Kay Jewelers
	Marks & Morgan Jewelers	Jared the Galleria of Jewelry

Finlay Fine Jewelry Corp.	Stores and Department store locations	
(largest leased store operator) 521 Fifth Ave. New York, NY 10175 212-551-8300 fax: 212-867-3326 Subsidiary of Finlay Enterprises Inc.	Bergner's	Burdines
	Bloomingdale's	Dillard's
	Elder-Beerman	Bon Ton
	Boston Store	Filene's
	Carson, Pirie, Scott	Macy's
	Gottschalk's	Lord & Taylor
	Herberger's	Kaufmann's
	Rich's	Younkers
	Carlyle & Co.	Bailey, Banks, & Biddle

Bonded Jewelers

In every organization there are always the elite few who stand out in the crowd. In the Army, you've got the Rangers. In the Navy, you've got the Seals. In the Air Force, you've got the P.J.s, and in a world filled with ordinary jewelry stores, you have super jewelry stores called bonded jewelers! Why, Fred, are bonded jewelers better than the rest? What are they bonded for? Well, hold on to your hats and I'll tell you.

For starters, only approximately 5 percent of the jewelers in the world are bonded. Only one out of every twenty! "Bonded" refers to the fact that they sell bonded diamonds, and bonded diamonds, my friend, are the way to go if you can afford them. They typically cost

10 percent to 15 percent more than nonbonded diamonds. A bonded diamond is just a fancy way of describing a fully guaranteed diamond.

This is what you get with a bonded diamond

1. All bonded diamonds come with a lifetime breakage policy. You bust the stone, the jeweler gives you a new one. (One bust per customer.) This is a wonderful policy since treated stones tend to be brittle, and no jeweler would give you this guarantee on an easily broken (and therefore less than 100 percent natural) stone.
2. You're going to love this: all bonded stones come with a lifetime buy-back policy. Translation: for the life of the diamond, you can take it back to the jeweler and get 100 percent of your money back!! (Mountings and sales tax are not included.) How wonderful this is! If you're not 100 percent satisfied for the life of your purchase, you get your money back. Now you might ask, "How can a jeweler afford to do this?" How can he not? Great diamonds are in demand, very liquid, and easy to resell. Any jeweler worth his salt will be glad to buy back a good diamond. If a jeweler doesn't want to buy your diamond back, then there was probably something wrong with it in the first place.
3. All bonded diamonds come with an unconditional lifetime exchange policy. This is great! If your fiancée ever gets bored with her shape, the jeweler will allow even exchanges. (You have to pay for resetting fees.)
4. Bonded diamonds come with a lifetime trade-in policy with a fixed appreciation rate to keep up with inflation.

5. Bonded diamonds come with a market crash protection policy. If the diamond market ever crashes and your diamond depreciates, the jeweler will refund the difference between what you paid from the new market value.
6. All bonded stones are guaranteed to be natural and untreated.
7. All bonded stones are guaranteed to be 100 percent conflict free.

If you can find a bonded jeweler, they are the way to go. Dishonest jewelers thrive knowing that it's possible to take a bad diamond and make it look good. But looking good and staying looking good are two different things. That diamond needs to pop as much on your twenty-fifth anniversary as it did the day you bought it. With a bonded diamond, if the diamond doesn't always meet your expectations or surpass them, you get your money back.

Who Will Help Me Now?

You've probably already realized there are two components that must be evaluated before you sign on the dotted line: the diamond and the setting that holds it. The funny thing is that more and more people are buying the setting from one place and the diamond at another, which leaves us with some serious questions:

1. Who should set it?
2. Who should be responsible for the diamond during the setting?
3. Who will service the ring after it is set? (Who will size it if it needs sizing, who will repair it if it gets damaged? Who will do the annual

checkup? If you were lucky enough to buy a bonded diamond, is the bonding still in effect if the seller doesn't do the setting?)

The seller of the setting may or may not agree to set the diamond. Many jewelers won't set someone else's diamond because they don't want to be responsible for any chipping or nicks that may result in the setting process. In fact, many jewelers will only set the diamond if you sign a "hold harmless" agreement. The rest of the jewelers, in order to pressure you to also buy the diamond from them, won't agree to set someone else's diamond under any circumstances.

Jewelers carry exclusive lines of designer jewelry no one else in their region can carry to lure you into the store. Their hope is to hook you with the setting and reel you into a diamond.

The reasons the settings are so expensive are because even though the jeweler hopes to sell you their diamond, they are well aware of the commoditization of commercial diamonds and the difficulty of competing against consolidators that are now selling direct. With the loss of the "rock" profit, they must compensate with an overpriced semi-mount.

I don't blame the jeweler. I wouldn't want to set someone else's diamond unless I had insurance to protect me. Plus, even if I am covered, where is the incentive for me to service some guy who blatantly didn't consider me for the major purchase—the diamond?

As the customer, I wouldn't even ask the jeweler who sold me the setting to set the diamond for one very good reason: he's probably

upset with me for not buying my diamond from him, and his setter may take it out on my beautiful new diamond with “torquing.” (Torquing is the over-application of pressure to a prong in order to cause permanent damage to the girdle of the diamond.)

So the answer to who should set the diamond is easy: it’s the seller of the diamond. And not just for the setting, but all servicing as well. Furthermore, if the diamond is bonded, the diamond seller’s insurance company requires him to set it or it voids the warranty. If the diamond seller refuses responsibility, then buy your diamond somewhere else.

The Gift of Jewelry

The engagement ring may be the first piece of fine jewelry you buy, but chances are, it won’t be the last. A gift of fine jewelry is appropriate at any season of the year and in any season of life. Birthdays, anniversaries, Christmas, Chanukah, the first day of spring, Mother’s Day, Valentine’s Day—jewelry is always an excellent gift.

You should take as much care buying a birthday gift as you do when you shop for an engagement ring, to make sure you get the most value for your loved one and your budget. Whether it’s a diamond or some other precious stone, many of the same rules apply. And always keep the recipient uppermost in your mind. Use the Gift Questionnaire Sheet below. It’ll help you match the gift to the person, and ensure that the gift will be happily received and worn with pride.

Gift Questionnaire Sheet:

A Worksheet

Here are some things to think about before making an expensive jewelry purchase, whether it's an engagement ring, a birthday gift, or a gift for some other special occasion. You may already know all or most of this information, but you probably haven't thought about it in terms of buying a ring. Take the time to fill out this questionnaire, and you're almost guaranteed to be on target with your purchase.

1. *Birth date:* _____

The birth date tells you the birthstone. Sometimes women like their engagement ring or wedding band to have their birthstone mixed with diamonds. Or, a birthstone ring is a nice gift by itself.

2. *Height & Weight:* _____

You can guess at these if you have to. Sometimes these vital stats will help you make an educated guess of someone's ring size, if you don't know it. It also helps you get a ring that's in proportion with body type. For example, a half-carat diamond may look fine on a person of average build, but might look small on a larger person.

3. *Favorite color:* _____

This is important information! If your True Love's favorite color is blue, a diamond set with sapphire accent stones might be perfect. In some cases, the color might be so important she'll want the colored stone as the main stone.

4. *Personality type:*

- ☐ Conservative ☐ Traditional ☐ Flamboyant
☐ Contemporary ☐ Trendsetter

The choice of settings is virtually unlimited. The personality type will narrow down the search. For example, if the person is conservative and very traditional, a diamond solitaire in a Tiffany setting might be perfect.

5. *Ring size:* _____

Very important. The last thing we want to do is take the ring back to have it sized.

6. *Profession:* _____

Some professionals can't wear jewelry to work, or must wear modest jewelry. A ring might actually interfere with some jobs, so the person should be able to remove it easily. In some professions (real estate broker, stockbroker, model) a "knockout" ring is an indicator of success.

7. *Diamond shape:* _____

Ask if you must, but find out what her favorite diamond shape is. Personality type can be an indicator—the traditionalist would probably favor a round stone (65 percent of all engagement rings have round stones) while a trendsetter may like a fancy shape. After round, the most popular shapes are box radiant, standard radiant, princess, emerald cut, oval, pear, marquise, and heart.

Don't buy her a heart-shaped diamond unless she specifically asks for it—it's probably the least attractive.

8. *Carat size:* _____

Ask a woman what size diamond she wants, and she's likely to ask, "How big can I get?" The best way to go about this is to determine your budget and check the price guides in this book.

Size Scale:

Average: .38 points

Yuppie: Around one carat

Ultimate Dream: One and a half to three carats

Filthy Rich: Three to five carats

Is the recipient *size-conscious* or *quality-conscious*? You'll need to have some idea, to know whether you can trade off a little quality for a bigger carat size or vice-versa.

9. *Setting color:*

☐ Yellow gold ☐ White gold ☐ Platinum

Nine out of ten women like yellow gold, but it's important to be sure. Look at her other jewelry. (Don't forget, on a yellow gold ring make sure the prongs are white gold or platinum so they don't make the diamond appear yellow.)

10. *Purity:*

☐ 10K ☐ 14K ☐ 18K ☐ 22K

Most jewelry worn by most women is 14K. 18K is a little softer and a little yellower. Platinum is white. Unless she specifies 18K or platinum, 14K is a safe choice.

11. *Other favorite jewelry:* _____

You might want to match the color or style of other favorite pieces of jewelry.

12. *Is there a particular ring she has admired?*

Pay attention to your True Love and you'll learn a lot about likes and dislikes, and you may hear her admire someone else's ring, or a picture of a ring in a magazine. If you're lucky she may even say, "That's exactly the kind of ring I'd love to have."

The New York Diamond District

"Bargains Galore" or "Buyer Beware"?

The fabled New York Diamond District, centered on 47th Street in Manhattan, probably has more diamond dealers per square foot than any place on earth. For a couple of bustling blocks, the streets are teeming with diamond sellers, practically hawking their wares as if they were selling hot pretzels. The diamond trade here is dominated by hastening figures who lend the place an unmatched mystique as they shuttle between cutting houses and shops, carrying hundreds of thousands of dollars worth of diamonds in their pockets and satchels. But is this a good place to buy a diamond?

In my experience, it is probably the most difficult place in America to get a good deal on a good diamond. You have a better chance of winning the

lottery or getting hit by lightning than getting a good diamond deal on 47th Street!

The whole place is attitude and hustle. They employ a kind of reverse psychology—here, the dealer doesn't trust the customer! The dealers give you the impression they haven't really got the time or the inclination to deal with you. "You really want a diamond? Okay, hurry up and pick something out, pay me, and please leave. I have more important things to do than sell you one measly diamond. Lab grading reports? Guarantees? Whaddya want, papers or diamonds? You want to buy—here, take it. You don't want to buy—try the guy down the street, maybe he has time to deal with papers, I deal with diamonds!"

I bought a diamond on 47th Street one day. Dressed in a business suit, I went shopping, settled on a dealer, and asked for a one-carat, VS1-G. I was given a stone that was said to fit my specs. When I asked for paperwork, the dealer gave me something that fudged on the grades, that said the stone was "VS," but not VS1, and "G-H," not G. Two days later, dressed in jeans, I returned to the same dealer. He didn't recognize me. When I showed him the stone and told him what I'd paid for it, he immediately started berating me: "You got taken! You paid too much for this diamond! You should have come to me in the first place!" When I pulled out my receipt and reminded him I'd bought the stone from him two days ago, he practically pushed me out of the store.

Everyone in New York "knows a guy on 47th Street" who will allegedly give you the diamond deal of a lifetime if you mention the right name. Friends, it ain't that easy.

I've found that if you get above street level on 47th Street, up to the dealers on the higher floors, you can get a decent deal on a diamond if you're a shrewd buyer. Even up there, above the hustle and bustle, dealers pressure you to move quickly on a purchase. Take your time. Examine the stone closely, go through all the steps outlined in this book, *pay by credit card—never cash!*—and get an independent appraisal immediately.

Every major city has its diamond center, and some of them are excellent places to purchase diamonds if you shop for the right dealer and ask the right questions. But the New York Diamond District? Toughest place I know to buy a diamond.

THE REAL THING?

How to tell a real diamond from a fake

Hands down the #1 question I'm asked online is "How can I tell if my diamond is the real thing?" People want to know if there is some simple test they can do at home or little tricks of the trade to tell if the ring they own is a valuable heirloom or of the Cracker Jack variety.

Without question the quickest and most reliable method for authenticity would be an independent appraisal. This can be accomplished easily enough by looking under "Appraisal (Jewelry)" in your yellow pages. When you call to enquire about their services you want to ask three questions:

- 1.) Can you schedule an appointment or is it first come first served.
- 2.) Ask the fee; \$35.00-\$75.00 is considered a fair price.

- 3.) Ask if the jewelry will always be in your presence. If the appraiser says they will not evaluate the jewelry in front of you, find another appraiser.

If spending 50 bucks seems a little too steep to uncover the identity of your rock, you can head to your local jewelry store and ask their in-house gemologist to take a peek and give you their opinion. Since opinions are like belly buttons (everyone's got one) understand that in a lot of these quick 30-second evaluations mistakes can be made. Especially since most jewelers won't charge you for 30 seconds of their time. (Just like with independent appraisals, don't let the merchandise out of your sight.)

There are some less reliable methods you can try but there are no guarantees with these:

1. The old "If it will scratch glass it has to be a diamond." Well, it is true that diamonds do scratch glass but so do a lot of the other fakes on the market. To boot, it's possible to injure your rock even if it's real during your hardness test.
2. The transparency test. If you flip the diamond in question upside down and place it over some newsprint and can clearly read through the stone, it's not a diamond. (The problem with this test is some diamonds are cut shallow and can be read through.)
3. The fog test. This test I like a lot. Put the rock in front of your mouth and fog it like you would try to fog a mirror. If it stays fogged for 2-4 seconds, it's a fake. A real diamond disperses the heat instantaneously so by the time you look at it, it has already

cleared up. (A downfall to this test is oil and dirt on the stone can effect its reliability and the test is not accurate at all on doublets where the top of the stone is diamond and the bottom is cubic zirconia epoxied together.)

4. The weight test. The most popular of diamond simulants (fake) is a cubic zirconia. C.Z.'s weigh approximately 55% more than diamonds for the same shape and dimension. So if you have a carat or gram scale at your disposal you can see if the imposter tips the scales too much.
5. The U.V. test. A high percentage of diamonds fluorescence blue when put under an ultra violet light (black light). Since 99% of all fakes don't, a positive identification of medium to strong blue would indicate a diamond. The bad news is if this method proves you have a diamond, it also proves your diamond is worth less. Diamonds with blue fluorescence are as much as 20% less valuable. Remember, lack of blue fluorescence doesn't mean it's a fake; it could just be a better quality diamond.
6. Under the loop test. If you own some sort of magnifying lens, there are some things you can look for on the stone that might give away its identity:
 - A. Look at the rock from the top and see how well the facets (cuts on top of the diamond) are joined. They should be sharp, not rolled.
 - B. Look at the girdle and see if it is faceted or frosty (a clear sign it's a diamond) or waxy and slick (an indication it's a fake).

- C. While you're looking at your stone under magnification, look into your stone to see if you detect any flaws (carbon, pin-points, small cracks). These are typically clear indications it's the real thing, since it's very hard to put inclusions in a fake.
- D. After examining the stone, focus in on the stamps inside the setting. A stamp of "10K, 14K, 18K, 585, 750, 900, 950, PT, Plat" indicates the setting is real gold or platinum which gives a better chance that the stone in it is real as well. While you're looking at the interior of the ring, also look for any "C.Z." stamps that would indicate the center stone is not a diamond.

I hope this helps all you Sherlock Holmes that want to know what you got.

Disposable Jewelry

Ask yourself a question, "Why do people buy jewelry?" Personal adornment? Possibly beauty? Certainly investment? These may be reasons for some, but the number one reason for the purchase of jewelry is status. Pure and simple. If I can have something you can't have I'm better than you. I don't agree with it but it's a fact. People buy jewelry to impress. If not others, themselves. I've heard more than one woman in my day, at a big tenth or twenty-fifth anniversary, say, I deserve this diamond; I've earned it. *When I wear it I feel complete, when I don't I feel naked. Diamonds make me feel special.* Why doesn't paste or glass or cubic zirconia make a woman feel special? They certainly look pretty. They certainly cover the personal adornment category. So why diamonds? Why gold? Why platinum? Because they are supposed to be valuable. They are supposed to be heirlooms.

They are supposed to look beautiful, be durable, and maybe if we are lucky, we will have something to pass down to our loved ones along with a story of the special day that piece of jewelry came to be. Jewelry is bought and sold every day because it is supposed to be valuable; it is supposed to be worth something. Then it's our job to weave it into the personal folklore that we can pass down through the generations. But what if it's not?

What if all the big retailers put together a lot of pretty, shiny jewelry, ran expensive ads at Christmas and Valentine's Day and Mother's Day, and told everyone to buy this seven-carat tennis bracelet for \$1,000.00, buy this diamond drop necklace for \$199.00, buy these 1 carat diamond stud earrings for \$499.00 to make your loved one feel special? And what if that jewelry was junk? Hollowed out metal, under-carated gold, treated diamonds with no value. Would your loved one feel special then? When the ads on TV say we only choose the best diamonds for your loved ones and it isn't the truth, is it fraud? Is it?

It is! Plain and simple. When someone buys something and thinks it has an inherent value and it doesn't, the vendor is stealing from you. They might as well have stuck a gun to your side at an ATM. But this is worse. These are our mothers, daughters, wives, sisters, our family that is being taken every time a national chain pushes a piece of junk at a low price and has the gall to call it fine jewelry. I don't have to mention these chain's names, you know who they are, and it's horrendous.

Fine jewelry shouldn't have an expiration date. Paper cups, razors, newspapers, these are things you use and throw away, not jewelry.

For the first time in the history of man you can buy diamonds with blue book values so you won't get ripped off. Jewelry should have that same guarantee. I started this section with a question, now I'll end it with one. Would you buy a piece of jewelry if five years from now it was worth less than 19.7 percent of what you paid for it? Ninety-eight percent of the jewelry bought today falls into that category. The only question left is are you going to buy disposable jewelry or demand something better?

Buying Diamonds on the Internet

Seems like yesterday (it was) when companies selling diamonds over the Internet were a novelty, but today there are literally thousands of such sites. This is how it works: you locate a diamond merchant on the web and look over a selection of stones. Full-color, high-resolution images of the diamonds are displayed on your screen. The diamonds are graded by carat weight, cut, clarity, and color. You select the stone you like, enter your credit card number, and your diamond will be shipped.

My major concern is the quality of the stone's proportions. In my cyber travels, I find lots of "off-makes" (poorly proportioned stones). I could tell they were taking rough stones, which, if properly cut, would have yielded shy-carated diamonds, and creating full-carat stones and in the process sacrificing sparkle for size.

In the process, they offer lots of full-carated diamonds and very few opportunities to "buy shy." If you want a .90ct SI1, I(1), then don't be pushed into a 1ct SI1, G(1), unless you get it for the .90ct price and all the parameters of cut are at least Class II.

In short, you're forced to hunt for the needle in the haystack. Carefully consider the following pros and cons before you decide if it's worth the search.

Cons

1.) *The Scams:*

A. *Treated Diamonds:* Every form of treated diamond is detectable by a lab, with the exception of a baked or heat-treated diamond. These are diamonds that two weeks ago might have been yellow but are now miraculously white! Baked diamonds are brittle and can break and, therefore, must be avoided. The only way to avoid being stuck with one is to make the sale contingent on a breakage guarantee and/or a money back guarantee.

B. *Fake or Duplicate Lab Grading Reports:* Diamonds are popping up all over the country that don't match their lab grading reports. A lot of people believe that if a diamond has been graded by a third party, there is no need to have it independently checked when you get it. What good is a lab grading report that says a diamond is great if it doesn't match the diamond? With the technology of today's personal computers, knocking off lab grading reports has become a piece of cake. Or, a crook can take a good diamond and obtain a lab grading report two or three times, then take the extra lab grading report and put it with a similar-looking, but lower quality diamond.

C. *"Hot" Diamonds:* Another quick hustle online vendors use is selling diamonds they haven't paid for and never plan to pay for. In the jewelry industry, diamonds are routinely handled on consignment. This means the owner loans diamonds to a

retailer, with the agreement that he will be paid when the retailer sells the stone. But the dishonest vendor sells the diamond online below his cost to attract a quick sale, but never pays his supplier. In a few months, he declares bankruptcy and the spoils are his. In this case, you might get a nice diamond at an unbelievably low price, but not for long. The FBI is now looking at these cases as interstate theft. How would you feel if in a year and a half someone knocked on your door, demanding your stolen diamond? You're out the money and the rock!

- D. *The Shell Game*: You order a diamond online, get it appraised, and the appraiser says it's a fake! "Cubic Zirconia!" You scream foul play, go to the police, and the retailer claims he's innocent. But the police have no way of knowing who the real crook is. Did the seller mail a fake like the appraiser says? Or did the appraiser switch the real diamond for a fake, or better yet, did the customer switch the diamond for a fake before going to the appraiser? What a mess indeed.
- E. *Handling Fees Scam*: Some online jewelers build their profit into handling fees, not the diamond. That way whether you keep it or not, they just made a sale. Avoid jewelers who charge handling fees that are not refundable.
- F. *The Return Authorization Number*: R.A.N. for short. Here's what some "smooth operators" do—they say your satisfaction is the only thing important to them and if you're not happy you can return your diamond for a full refund. Then they stick it to you by using a R.A.N., which is a way for an outfit to deter

or even eliminate returns. These companies make you call back to get an authorization number for return approval or you can't return the item. This benefits the vendor in two ways:

1. In most cases anyone who uses R.A.N.s has limited return policies, usually around thirty days. They know that the more difficult they make it for you to use it, or the more procedures you have to undertake, the clock will always be ticking—usually from the very second it was postmarked. If they can stall long enough to make the return policy lapse, they win.
2. Also, if you want to return something, they shuffle you off to another department. Forget about talking to that nice salesman who sold it to you, you're about to get the gorilla of a salesman on the line who will do everything in his power to talk you out of it. Look, if I want to return something, I don't want to spend an hour justifying my return.

Oh, one more thing—believe it or not, a lot of vendors use one more little hurdle on returns. They tell you all returns must be mailed back in the original packaging. Then, they pack it in such a way as to make it impossible to not destroy the packaging and hope you will accidentally throw it away so they can avoid a refund altogether.

2.) *Lack of Multiple Stone Viewing:* I've yet to find an Internet diamond company that has said, "Let me mail you a dozen diamonds, keep the one you like, and mail the rest back." Comparative shopping is the American way. How can we appreciate anything

without something to compare it to? Unless you're willing to do your comparative shopping locally before buying online, the only other option is to have one stone mailed to you at a time—and that is an enormous waste of time.

3.) **Poor Warranties:** The best these companies seem to be able to come up with are thirty- to ninety-day return policies. That's it—period! What if your fiancée breaks up with you after four months and you don't need the diamond anymore? Tough! What if a couple years from now you want to exchange or upgrade? Tough! What if your diamond is chipped or breaks? Tough! What if the diamond turns out to be treated? Tough! Tough! Tough! After the limited return policy is over, if anything goes wrong you're stuck with a diamond you don't want. Compare that to bonded jewelers that offer lifetime breakage guarantees, lifetime buy-backs, lifetime trade-ins, and exchanges, and online jewelers are out-matched. Who cares how good a deal something is if you don't need or want it? Ask yourself this question—would you buy a car with only a thirty-day guarantee?

4.) **Service:** I need my prongs tightened, I need my ring sized, my ring broke. What's the Internet company going to do for you now? All they can say is mail it back. What about the annual inspection a ring needs? I haven't found one online jeweler that brings this up, much less says they will take care of it free of charge. When it comes to service after the sale, there is no beating a local jeweler. I know some people live in remote areas, and finding a good jeweler is hard, but that should always be the first place you begin your search. Remember, only buy out of town when local jewelers let you down.

5.) *Will they be here tomorrow?* According to the *Bloomberg Network*, only 2 percent of online retailers will survive. What are the odds you'll pick the right one? Is it important to you that one of the biggest purchases you'll ever make is from somebody that will stay in business? Look at Levi Strauss—they threw in the towel. They couldn't sell blue jeans online! In the end, they realized there is no way to know a perfect fit unless you try it on. Can't do that on the Internet! So if an American icon like Levi Strauss can't make it on the Internet selling \$45 blue jeans, what makes these non-brick-and-mortar cyber peddlers think they will? If I were dealing with an online retailer, I'd be pretty damn sure they had an actual location I could visit and had been around for awhile. Because for my money, I want to do business with someone who's going to stay in business.

Pros

1.) *Price:* Certainly the prices on these Internet sites are very appealing. They lure you in like bees to honey. The one thing all these diamond companies must believe is the man with the lowest price wins. They should, however, check their stats. In a recent customer survey conducted by *Jewelers Circular Keystone*, only 35 percent of jewelry buyers said finding the lowest price was their primary concern. Regardless, the frosting on the cake looks very appealing and I've seen little or no price gouging online.

2.) *Selection:* The companies seem to have endless inventories. Walk into your typical jeweler and ask to look at a specific loose diamond and you're lucky to see two or three stones. In some cases, they don't have any and say they have to bring some in. The one thing I find interesting, though, is on several occasions I decided to add up these virtual inventories that many companies claim are theirs and

in one case the total value of one inventory exceeded \$2.1 billion and in another case their inventory exceeded \$5 billion. How does a typical start-up Internet diamond seller get billions of dollars worth of inventory with start-up capital of \$15-\$20 million? That's a nifty trick!

3.) *Lab Grading Reports and Appraisals:* Every diamond bought online has some kind of piece of paper talking about how good it is. Considering there are a lot of jewelers that only hand over a sales receipt with purchase, a third independent evaluation is a plus.

4.) *Sales Tax:* It's hard to overlook, at least for the time being, that buying a piece of jewelry online from an out-of-state vendor can save a lot of money. In Texas, where the sales tax is 8.25 percent in some places, purchasing a \$10,000 diamond online would save you \$825! It's important, however, to not let shipping charges, credit card charges, and handling fees eat up this legitimate cost-saving feature.

Conclusion

These are still shark-infested waters—unless you have to surf the net, stay on dry land.

Final Thoughts

Well, Fred, are you telling me there is no way you would recommend buying online? No, I'm not saying that, but before I did, these would be my requirements.

- 1.) The retailer would have to be in business, with a brick-and-mortar location for at least ten years. (That way I would know they weren't going anywhere.)

- 2.) A clean Better Business Bureau record.
- 3.) A lab appraisal or lab grading report with the purchase. Also, never accept a lab grading report older than six months! You never know where that diamond has been or what's been done to it since it was graded. If they are convinced their old diamond is so wonderful, have them regrade it.
- 4.) A bonding document guaranteeing the diamond is 100 percent natural and not treated.
- 5.) Lifetime breakage guarantee to guard against baked diamonds.
- 6.) Lifetime cash buy-back to guarantee against any future customer dissatisfaction.
- 7.) A lifetime exchange policy.
- 8.) A lifetime trade-in policy.
- 9.) A fair, provable price.
- 10.) Free annual service.
- 11.) Knowledgeable salespeople.
- 12.) Good store reputation.
- 13.) Takes all major credit cards.

Diamond Guy[®] Seal of Approval

Many unscrupulous websites are attempting to make money off my name—Fred Cuellar. When in doubt, if you don't see The Diamond Guy[®], I have not endorsed it.

Fully Bonded Diamonds[™]

They are the first fully bonded diamond dealer on the Internet. Fully Bonded Diamonds[™] is a subsidiary of Canary Investments Inc., the parent company of Diamond Cutters International.

Honorable Mention: Costco

While generally Costco does not sell the quality diamonds that other fully bonded jewelers do, on occasion I have found a few diamonds that meet my criteria. They are still the first and only major brick-and-mortar retailer to offer an unconditional buy back policy on their diamonds. Way to go, Costco!

Certifiable? Lab Grading Reports:

Are They Just a Piece of Paper?

Every day thousands of people go to work in the major gem labs in the United States. They are there for only one purpose, to serve the gem and jewelry industry and above all the consumer. However, there are limits to what they can do. Can you separate fact from fiction in terms of their capabilities? Here's your chance. Armed with information provided by the experts at Gemological Institute of America (GIA); European Gem Laboratory (EGL); International Gemological Institute (IGI); and American Gem Society (AGS) I developed the following quiz.

Each statement is either fact or fiction. Mark which statement you believe to be true and compare your answers to what the experts have to say at the end of the quiz. Good luck!

- 1.) A lab grading report isn't a guarantee.
_____ Fact _____ Fiction
 - 2.) GIA's mission statement is to ensure the public trust by educating and serving the gem and jewelry industry worldwide. As a nonprofit institution, GIA provides knowledge and professionalism that will maintain the long-term stability and integrity of the industry while strengthening and securing consumer confidence.
_____ Fact _____ Fiction
 - 3.) Grading a diamond can be so subjective some of the labs use four or more graders to get a consensus.
_____ Fact _____ Fiction
 - 4.) Lab grading reports only represent a snapshot of the opinion of the graders at the time the report was taken.
_____ Fact _____ Fiction
 - 5.) A lab grading report and a certificate are the same thing.
_____ Fact _____ Fiction
 - 6.) No major labs will do a lab grading report on synthetic diamonds.
_____ Fact _____ Fiction
 - 7.) GIA does not certify any person, place, or thing.
_____ Fact _____ Fiction
 - 8.) At an additional cost all the labs allow diamonds to be resubmitted for re-grading if the submitter is unhappy with the original results.
_____ Fact _____ Fiction
 - 9.) All labs use the same criteria to evaluate a diamond.
_____ Fact _____ Fiction
-

- 10.) GIA uses proprietary Sarin machines to assist in determining the diamond's measurements.
_____ Fact _____ Fiction
- 11.) All major labs calibrate their equipment before each diamond is graded.
_____ Fact _____ Fiction
- 12.) Lab grading reports could be null and void if a diamond is worn.
_____ Fact _____ Fiction
- 13.) Lab grading reports are 100 percent accurate within one grade in either direction in clarity and color listed on the report.
_____ Fact _____ Fiction
- 14.) Lab grading reports lose their purpose (even if the diamond isn't worn) as they get older.
_____ Fact _____ Fiction
- 15.) Physical measurements like weight, dimensions, and proportions are absolutely objective.
_____ Fact _____ Fiction
- 16.) If a lab grading report "reads" well, the diamond must be beautiful.
_____ Fact _____ Fiction
- 17.) If the lab grading report "reads" poorly, the diamond must be ugly.
_____ Fact _____ Fiction
- 18.) A lab grading report tells you everything you need to know to determine the value of a diamond.
_____ Fact _____ Fiction
- 19.) A lab grading report makes the diamond more valuable.
_____ Fact _____ Fiction
- 20.) The labs can detect all forms of treatment 100 percent of the time, including baking.
_____ Fact _____ Fiction

- 21.) The labs can with almost 100 percent accuracy determine if a fancy color diamond is natural.
_____ Fact _____ Fiction
- 22.) A lab grading report is an appraisal.
_____ Fact _____ Fiction
- 23.) A fully bonded appraisal based on the GIA grading system is more valuable than any lab grading report.
_____ Fact _____ Fiction
- 24.) To ensure the diamond is worth what you paid and holds its value in the future it must come with a lab grading report.
_____ Fact _____ Fiction
- 25.) A lab grading report will ensure that the diamond is not a blood diamond.
_____ Fact _____ Fiction
- 26.) All the major labs use colorimeters to be as precise as possible.
_____ Fact _____ Fiction

Answers

- 1.) *A lab grading report isn't a guarantee.*

Fact

The opening line on a GIA lab grading report states, "This report is not a guarantee, valuation, or appraisal." No lab wants to guarantee anything or leave you with the impression that they do, because if something goes wrong in the transaction they don't want to be held responsible.

- 2.) *GIA's mission statement is:* To ensure the public trust by educating and serving the gem and jewelry industry worldwide. As a non-profit institution, GIA provides knowledge and professionalism that
-

will maintain the long-term stability and integrity of the industry while strengthening and securing consumer confidence.

Fact

3.) *Grading a diamond can be so subjective some of the labs use four or more graders to get a consensus.*

Fact

In some cases not even the four graders can agree so they bring in more people to break the tie!

4.) *Lab grading reports only represent a snapshot of the opinion of the graders at the time the report was taken.*

Fact

Where that diamond came from and what it's been through (mounted, dropped, nicked, etc.) cannot be determined from the date it was graded to the date you receive it.

5.) *A lab grading report and a certificate are the same thing.*

Fiction

A lab grading report is not a certificate. A certificate would authoritatively confirm the facts and a lab grading report states a few facts but mostly subjective opinions. It was the jewelry industry (not the labs) who started the slang use of the word “certificate” in reference to lab grading reports. GIA categorically states that they do not certify any person, place, or thing. In the past, I have often used the word “certificate” incorrectly. To be perfectly accurate, we should all be saying lab grading report or document if what we are saying is opinion based. EGL USA does use the word “certificate” on their grading reports, but they disclaim any responsibility for any errors or omissions in the report.

6.) *No major labs will do a lab grading report on synthetic diamonds.*

Fiction

According to Lynn Ramsey, publicist for EGL, “EGL USA is the only lab in North America to certify synthetic diamonds. However, we do not certify diamonds that have been fractured filled or any treated stones in which the treatment is known to be unstable under certain circumstances.”

7.) *GIA does not certify any person, place, or thing.*

Fact

As stated in the response to question #5.

8.) *At an additional cost, all the labs allow diamonds to be resubmitted for re-grading if the submitter is unhappy with the original results.*

Fact

(*GIA's Response*) “There are times when the grade of a diamond is at, or close to, a boundary point between grade ranges. For this reason, we offer services whereby a client may resubmit a diamond to be subsequently examined by additional independent experts, who may or may not render an opinion that differs from the original grading.”

(*EGL's Response*) “Diamonds may be resubmitted at least two times if the owner disagrees with our grading. After two submissions, the owner can have a consultation with the senior graders.”

(*AGS's Response, Peter Yantzer*) “It's very simple. If the customer is not happy with our results and believes we are wrong they can resubmit it for evaluation again.”

9.) *All the labs use the same criteria to evaluate a diamond.*

Fiction

A.G.S. uses their own in-house system (such as A.G.S. 000) while EGL recognizes an SI-3 grade. In addition, none of the labs agree with each other on one standardized system for measuring proportions.

10.) *GLA uses proprietary Sarin machines to assist in determining measurements.*

Fact

Sarin and Megascop machines can be ordered from the factory calibrated to specific tolerances as requested by the customer.

11.) *All major labs calibrate their equipment before each diamond is graded.*

Fiction

“Once a day would be ideal for us, but at least once a week,” says Peter Yantzer of American Gem Society. “We fully service them once a year. With hundreds of diamonds being graded a day it is not cost-effective for any lab to calibrate before each evaluation.”

12.) *Lab grading reports could become null and void if a diamond is worn.*

Fact

Since a diamond can be damaged during setting and while being worn, in my opinion any grading report becomes invalid at that point.

13.) *Lab grading reports are 100 percent accurate within one grade in either direction in clarity and color listed on the report.*

Fact

Pin-pointing a diamond to an exact grade is subjective but pin-pointing it to a range is not. Example: To say a diamond is SI-1 is subjective, but to say it is not any worse than an SI-2 or better than

a VS-2 is objective. The FTC regulations state that a diamond must be within one clarity and one color grade.

14.) *Lab grading reports lose their purpose (even if the diamond isn't worn) as they get older.*

Fact

As was stated earlier, the time frame between the diamond's evaluation and its purchase date is unaccounted for. Lab grading reports older than six months tell the consumer one of two things: A. The diamond isn't beautiful enough to be snatched up right away and/or B. The lab grading report is no longer a legitimate reflection of the quality of the diamond. Old grading reports are a red flag.

15.) *Physical measurements like weight, dimensions, and proportions are absolutely objective.*

Fact and Fiction

Leverage gauges, Megascopes, Sarin machines, and scales are temperamental. According to the manufacturers, if (and this is a big if) the equipment is clean and calibrated before each testing the results are 99.9 percent accurate. If hundreds of stones are tested between calibrations then measurements may be off plus or minus 3 percent. Since we already know that it is financially infeasible for a lab to calibrate their equipment for every stone, a separate Megascop or Sarin report must accompany or replace the lab grading report to confirm its physical measurements.

16.) *If the lab grading report "reads" well, the diamond must be beautiful.*

Fiction

No one lab grading report provides all the vital information. Therefore, it is possible for a diamond to appear to look good (read

well) on its lab grading report when in actuality it is unattractive to the eye.

17.) *If a lab grading report “reads” poorly, the diamond must be ugly.*

Fiction

The lab grading report may have judgments which are misleading. Also, beauty is still in the eye of the beholder. There are a lot of diamonds that technically return a poor amount of light, are off color and heavily included, but are loved anyway by their owner. Never forget it’s what a diamond represents that is its real beauty.

18.) *A lab grading report tells you everything you need to know to determine the value of the diamond.*

Fiction

A lab grading report is not a guarantee, valuation, or appraisal.

19.) *A lab grading report makes the diamond more valuable.*

Fiction

Don’t confuse a bonding document (fully-bonded), which does guarantee value, and a lab grading report. A lab grading report is an opinion on the overall quality of the diamond and does not increase the diamond’s worth.

20.) *The labs can detect all forms of treatment 100 percent of the time, including baking.*

Fiction

Nothing is 100 percent, but the labs are probably 99.9 percent accurate on all forms of treatment with the exception of baking, where they are batting .750.

21.) *The labs can with almost 100 percent accuracy determine if a fancy colored diamond is natural.*

Fact and Fiction

Fact on all colors except green.

22.) *A lab grading report is an appraisal.*

Fiction

23.) *A fully-bonded appraisal based on the GIA grading system is more valuable than any lab grading report.*

Fact

The fully-bonded appraisal is the most comprehensive document you can get on the quality of the diamond. It includes every measurement (taken from a calibrated Sarin or Megascopes machine), and a colorimeter reading where grade and type are listed and a consensus of four graders who all must agree on what the worst case scenario is on the clarity grade. Then, it is accompanied with an unconditioned lifetime bonding document to guarantee current market value and secondary market value.

24.) *To ensure the diamond is worth what you paid for it and holds its value in the future it must come with a lab grading report.*

Fiction

Don't confuse a fully-bonded diamond and a lab grading report. They are two different things. Any quality diamond can come with a lab grading report, but only about 2 percent of all gem-quality diamonds come with a bonding document.

25.) *A lab grading report will ensure the diamond is not a blood diamond.*

Fiction

The only document in the world that can do that is a country of origin certificate.

26.) *All the major labs use colorimeters to be as precise as possible.*

Fiction

Officially, the labs do not use colorimeters at this time. Colorimeters do require constant maintenance and calibration.

Conclusion

Lab grading reports came into the marketplace to stop widespread misgrading. Did it work? Yes, I think so. However, lately it has become more important what letter or number or percentage shows up on a piece of paper than whether or not that little shiny rock has personality or takes our breath away. It didn't happen all at once; it happened slowly. I see people make decisions on how much they will love their diamond based on what someone else's opinion is. When did we give up our opinion of what's beautiful; when did we relinquish our judgment? Any paper that comes with a diamond can only give you an idea of what you have. Want guarantees? Fine, make sure it's fully bonded. Want beautiful? Make sure it takes your breath away! Make sure every time you look at the rock it reminds you of why you bought it in the first place; you found love, it found you. You're damn lucky! That rock, regardless of size or quality is a symbol of that love. It shouldn't be a contest about how big your bank account is or how smart you think you are. Are lab grading reports or appraisals or documents just a piece of paper? No. They are tools, guides, sign posts. No piece of paper in the world should ever

try to tell you how you feel about your diamond. If it talks to you, listen up. It's letting you know that you are loved.

But what happens when you allow a piece of paper to dictate your decision? The following is an example of how in recent years our misplaced judgment planted a seed for corruption.

GIA'S BRIBERY SCANDAL

By Martin Rapaport

(Rapaport...November 1, 2005) The diamond industry has the right to know: What has been going on inside the Gemological Institute of America (GIA) laboratory?

Have diamond graders and/or supervisors been taking bribes to upgrade GIA diamond grading reports? How long has this been going on? When did it stop? How many graders and stones have been involved? Who are the bribers? What is the GIA doing to clean up its mess?

Before going on, we at Rapaport have a few full disclosure statements of our own to make. Rapaport Group Companies in Israel, Belgium, and India operate GIA take-in windows whereby we accept diamonds for grading by GIA. We handle shipping to and from GIA laboratories, customer service and payments for lab services as well as marketing and promotion of GIA laboratories. The scale of our operations with GIA is large and financially significant for the Rapaport Group.

Furthermore, this writer firmly believes in the values that GIA has supported these past 74 years. GIA's implementation of diamond grading standards, supported by a grading laboratory and educational

system, has done more for diamond quality and pricing transparency, fair trade and consumer confidence than anything else in the history of the diamond industry. GIA's education and research protects the industry from fraud as it raises the technical, professional, ethical, and moral standards of our community. The GIA I respect "calls it like it sees it" no matter where the chips fall. It is more interested in "doing the right thing" than protecting its money or saving its reputation.

I believe in the GIA, not because of the buildings, the laboratories or our business with them, but because of the shared values that it supports. This belief in the GIA and our relationship with the GIA is not unconditional. Should the GIA move away from its core values, then we will no longer support or represent them.

So let me make it clear. We at Rapaport define integrity as an unconditional commitment to core values. Our core values include honesty, full-disclosure transparency, fair trade and meeting commitments. Our Group's commitment to integrity means that we are willing to lose money, reputation, and everything or anything else in support of our core values. Therefore, dear reader, we are biased in this report—because we admire the GIA for its history and values. We are, however, not going to pull any punches and, in true GIA tradition, we will "call it like we see it," no matter what the consequences—for Rapaport, the GIA, or the industry.

Background

Max Pincione's April 2005 lawsuit against Vivid Collection LLC, Moty Spector, Ali Khazeneh, and the GIA included a charge that

Vivid made payments to the GIA to “upgrade” the quality of diamonds submitted for grading. Pincione presented Exhibit “F,” a handwritten page showing details of alleged payments and upgrades. Exhibit F, which appears to be from the year 2000, contains numerous initials and includes the text “To Alina \$3,500 For August in Full,” “To Alina for September \$3,500 paid.”

Although the handwritten page allegedly provided to Pincione by an “informant” could have been written by anybody for any reason and may never hold up in court, in my view it looks authentic and like a listing of upgrades and payments for them. Upon information and belief shortly after the lawsuit was delivered to GIA, a GIA employee with a name very similar to “Alina” was suspended. As far as we can tell it looks like “Alina” was allegedly bribed to upgrade the quality of diamonds on GIA grading reports. Obviously, further investigation and disclosure are necessary.

Rapaport News became aware of the lawsuit in August and published a brief article about it. In September, we began hearing false rumors of an FBI bribery investigation obviously driven by GIA’s own internal investigation. Finally, on October 18, the first day of the Succot holiday, the GIA issued a press release announcing the completion of their internal investigation and organizational changes that included replacing GIA laboratory head Tom Yonelunas with Tom Moses and firing four employees.

Following the release of the GIA press release and the conclusion of Succot, I immediately traveled to New York and spoke with a number of people before writing this article.

While I do not have access to GIA's investigative report, I was able to develop a limited opinion of what is going on. As far as we can tell, the current situation is as follows: No one knows or can guarantee exactly how many, the type, or which lab grading reports may have been affected by the bribers.

What we do know is that after a very thorough independent—and I believe honest—internal GIA investigation, only a handful of bribers have surfaced and the number of stones known to be affected are in the tens, possibly hundreds, and certainly not thousands. The bribing activity appears to be limited to large stones graded in the New York lab and submitted by just a few firms. GIA is expected to provide all details of its investigation to law enforcement agencies.

Furthermore, to the best of our knowledge and based on our own investigation, no diamonds submitted through Rapaport Group offices have been tainted in any way or were subject to any improper grading. Our policy is that we submit all stones with unique Rapaport numbers and the identity of the actual owner of the diamonds is never disclosed to any laboratory employees. While a highly confidential list identifying our numbers and the owners is provided to GIA management on an occasional basis, to the best of our knowledge, this list was kept entirely confidential and not shared with any lab employees or supervisors who would have an opportunity to change any grades.

Buyers are encouraged to carefully examine all large, expensive diamonds from all sources and to insist on a verification procedure if they doubt the grading standard. While grading reports are, and will continue to be, an excellent basis for trading diamonds, they do

not replace the need for independent examination and the need to know and trust your supplier.

Full Disclosure

When an important organization like the GIA makes a mistake, the best and most honest way out of the problem is for the management of the company to take responsibility and make full disclosure of the mistake. Management should also apologize for the damages caused and carefully explain what they are doing to make sure that the mistake never happens again. Full disclosure is not only good public relations in that it enables the reestablishment of trust in the company and its products, it is also good therapy for management. From then on management realizes that they will have to operate in a fishbowl with their actions and reactions scrutinized by their board, the public, and even their competitors.

While GIA's press release provides important information, it is highly disappointing and problematic. It also raises a number of complex ethical issues.

First of all, GIA does not provide full disclosure of what happened—they do not straightforwardly admit that any employees have been caught taking bribes.

They do not name the people taking or giving bribes. While the diamond trade is being concerned, confused, and misled about the number and types of grading reports illegally upgraded, the GIA does not disclose the extent of damage even though it seems likely that only a very limited number of large diamonds graded in the New York lab are known to have been upgraded.

The GIA's refusal to name the bribers is highly problematic. By firing graders and acknowledging the existence of clients who are "implicated" in "improper attempts to influence the outcome of grading reports," the GIA is telling us that members of our trade have bribed the GIA, but they are not telling us who they are.

The GIA is inadvertently casting aspersions on their honest clients, implying that some unknown number of clients are bad apples, but not informing us of how many, who they are, or the types of diamonds that they deal in.

Why isn't the GIA disclosing the names of the bribers? Could it be that when there is a conflict of interest between the financial interest of the GIA and the integrity of the diamond industry, the GIA protects itself at the expense of our industry? Is this how the GIA fulfills its mission statement of "ensuring the public trust in gems and jewelry by upholding the highest standards of integrity?"

When a conflict of interest arrives, is it the mission of the GIA board to protect the interests of the GIA or the public?

GIA undoubtedly has "good" reasons not to practice full disclosure. The threat of damages from the Pincione lawsuit obviously encourages GIA's lawyers to limit public disclosure. On the other hand, the GIA is asking for the diamond industry's trust, and one wonders, what else would the GIA hold back? If bribes were taking place in Carlsbad (California)—would this be disclosed by the GIA or would management, after taking legal advice, take care of it quietly? Can or should the diamond trade trust the GIA?

But what about the GIA board? If the public interest is being damaged and the board knows it—don't they have an obligation to inform the trade and public?

Is this to be done through leaks to people that have agendas? Is GIA's board to be exempted from the new zero tolerance policy?

Who makes decisions when there is a conflict of interest between the public, trade, and the GIA? Who has the right to keep secret activities that violate the public trust and/or information that enables the trade to defend itself and consumers against fraud? Are the ethics and morals of the GIA to be governed by well-intentioned lawyers seeking to protect the GIA?

Complicated Situations

Now that we have provided perspective, communicated our strong words, and made our impassioned pleas, let's take a less emotional, more rational and realistic look at the situation. Other than a possible leaker or two, the GIA board consists of excellent people who really care about the GIA and its public trust mission. They and the GIA are currently in a tough situation. In some instances, whatever they choose is bad and it is extremely difficult to discern the lesser of the two evils.

Frankly, this is not a good time for us to attack the board and insist on idealistic, simplistic solutions to extremely complex problems and situations. Full disclosure is ideal and fair, but it is not a panacea. Applying a full-disclosure policy that is highly damaging to the GIA when appropriate alternative action can prevent abuse may be the wrong course of action. We must recognize that the GIA board has the right and obligation to make decisions that

impact not only the GIA, but the industry and the public. We must give the GIA board space to operate and time to do what is right. Heaven knows, they have a hard enough mission as it is.

Having said the above, we emphasize that it is important for the board to carefully consider the full ramification of their decisions on all stakeholders, particularly the diamond trade. As a public trust entity, the GIA's responsibility must be inclusive and sensitive. While a knee-jerk, full-disclosure policy may not be appropriate in the current situation, alternative solutions for the problems generated by partial disclosure must be provided. Ultimately, the GIA must recognize that, with rare exception, what is good for the trade is good for the GIA and what is not good for the trade is not good for the GIA.

Let us now consider the issue of identifying the bribers from a different perspective—a purely GIA self-interest perspective. By now, it is clear that bribers pose a threat to the integrity of the GIA grading report. If bribers are allowed to go on bribing, they will destroy the credibility of the GIA and eventually force the closing of the GIA laboratory and the GIA activities supported by profits from the laboratory.

If a grader specializing in large expensive diamonds gets paid \$X per year, he can be making decisions over the year that directly impact the value of say, one thousand times X. Therefore, dishonest diamond dealers will always have an incentive to bribe graders/supervisors and graders—unless they are angels in heaven—are going to find it hard to resist the persistent and innovative offers of bribers. The more employees in a lab and the closer they are to the dealer community, the more likely it is that the lab will have graders or supervisors taking bribes.

Fortunately, there is a natural way to stop the bribing—deterrence through disclosure. Consider the game theory. If a briber does not get caught, he wins. If he gets caught and the GIA—in order to protect its assets and/or reputation—settles the case in a way that the briber ends up being penalized less than he has gained, the briber wins again and will continue bribing because he is in a win-win situation. By “protecting” its reputation, the GIA is attracting those that seek to destroy its reputation. The greater the GIA’s reputation and the more “protected” it is by the GIA, the greater incentive for bribers to attack.

On the other hand, if the GIA—through full disclosure, civil lawsuits, publishing the numbers of suspected reports, or any other way—discloses or causes to be disclosed the identity of the bribers, a different game develops.

The briber suffers huge loss to reputation. The long-term monetary loss from such reputational damage far outweighs the short-term benefit of bribing.

Bribing goes from being a rational, though illegal, activity to an economically irrational activity. The lesson is simple. If we publicly ruin someone’s reputation, the potential monetary loss is so great that it just does not pay to bribe, i.e., deterrence. If we don’t ruin the reputations of bribers, they will continue to operate and eventually beat the GIA into the ground.

Our goal is not to provide the GIA with specific solutions to all problems, but rather to encourage and plead with GIA’s board, management and lawyers to come up with their own innovative

solutions. We recognize that the GIA is in a difficult situation. However, sometimes what we think is a solution creates an ever bigger problem. Sometimes our biggest nightmare is when our dreams come true. The bottom line is that GIA's board must consider and take responsibility for the unintended consequences of their actions.

Actions taken with the best of intentions are often the most dangerous.

The trade must also recognize that the GIA is going through a very difficult transitional period. Optimal long-term solutions to the problems at hand will take time to implement. Quick-fix solutions, although apparent, may be unsustainable and nonoptimal.

We in the trade need to make our points, turn down the hysteria, and work together with the GIA to help solve the problems at hand. We must recognize that the GIA will have to take a series of steps as it develops new processes for improving the integrity of its grading reports. The trade should expect and support a process of change that will ensure and enhance the credibility and integrity of GIA's grading reports.

Rest Assured?

The only amusing statement in the press release is that when dealing with the bribers, the GIA tells us "rest assured, they will be dealt with swiftly and decisively." Now I mean no disrespect to GIA, but having grown up in New York, I imagine that these bribers are pretty tough guys. "Swiftly and decisively"?—we are, of

course, waiting and wondering. What is the GIA going to do, have their lawyers throw paper airplanes at the bad guys?

Seriously speaking, I doubt that the GIA, who is unable to name the bribers, is capable of “dealing” with them. While we can expect the GIA to forward their investigative report to the appropriate legal authorities, such authorities rarely act swiftly or decisively. Perhaps the GIA could initiate a civil lawsuit that would enable the disclosure of the bribers names and then the diamond dealers could “deal” with them.

The real issue here is why isn't the diamond trade taking responsibility for the rotten apples in our midst? The GIA is the well from which all of us drink.

The New York laboratory provides the 47th Street community with unique opportunities that employ hundreds of people. The GIA enables the entire diamond world to legitimize premium prices for the best diamonds. Bad people are poisoning our well. Clearly, our trade must take immediate proactive protective measures.

The press release issued by the Diamond Manufacturers and Importers Association of America (DMIA) on October 25, 2005, is a good step forward.

We believe that the World Federation of Diamond Bourses (WFDB) and International Diamond and Manufacturers Association (IDMA) should develop a joint resolution at the upcoming Mumbai conference that provides the following:

- Make it a violation for any member to bribe any laboratory employee.
- Make it a violation for any member to knowingly trade in any diamond whose diamond grading report has been improperly upgraded due to bribery.
- Require a five-year suspension for any member found to have bribed any laboratory employee or knowingly dealt in any improperly upgraded diamond.
- Require all organizations to post and/or give notice to all members, the individual, and company names of all those found to have bribed any employee of any diamond laboratory.

Such findings should be based on the conclusion of due legal process by the WFDB, IDMA members, or national court systems. Furthermore, we encourage the WFDB and the IDMA to establish a joint investigative committee that will collect information from members about any irregularities at any recognized laboratories. The committee should also consider publishing advisory guidelines as to the measures that laboratories may take to ensure the integrity of their grading reports.

Rapaport Conclusion

The Rapaport Group is deeply concerned about “improper attempts to influence the outcome of GIA grading reports.” It is our intention to use our available resources to fully investigate all aspects of diamond grading reports and bribery attempts. To that aim, we encourage members of the trade who have information about any improper behavior related to GIA grading reports to contact the GIA directly and/or their local Rapaport offices.

Dear friends, what is going on now is not acceptable. Our information indicates that Pincione is planning a more aggressive legal approach and it is only a matter of time before the current controversy is picked up by the general media and the credibility of our industry is put to severe test. Grading report and certificate issues have now captured my personal attention and I will try to write more on this subject next month.

The fundamental foundation of the diamond industry rests on our integrity as a community committed to honesty. This foundation is now under attack. Hopefully, the GIA problem will be limited, but these events and this story must serve as a clear warning that we are in danger of losing the integrity of our industry and our products. Make no mistake about it, if we ignore this problem, it will not go away. Now is the time for all of us who care about our industry to work together and find ways to ensure the security of our grading systems and the integrity of our diamonds.

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(See Inside the Diamond Business for more details.)*

Fine Print

Are You Really Getting What You're Getting?

They say that the devil is in the details. If they are referring to the fine print found in contracts, grading reports, catalogs, and bills of sale, they are right. *ABC News* did a week-long special on how consumers are literally signing away their rights when they acquire a new product. Look at the fine print in the stack of papers you sign when you buy a new car or a catalog you receive in the mail. Fine print is everywhere! TV commercials that last sixty seconds give us

one second to read the tiny print at the bottom of the screen. Lifetime warranties may have an expiration date (it's in the fine print). Many of us don't read the fine print and if we do read the teeny-weenie sentences, they don't necessarily make any sense to a layman. They are written with such legalese that even a lawyer could not pin down the meaning.

In sum, people buying products are not getting what they think they're getting. When they eventually figure out they've been bamboozled, there isn't anything they can do about it. You didn't send in the registration card so there is no warranty, or if you did they have no record of it, or there is a catch-all phrase that leaves them hold harmless and you holding the bag.

The following thirteen fine print sentences are the most prevalent and destructive to your rights as a consumer in the world of jewelry, lab reports, and jewelry insurance. If any item you contemplate buying is saddled with one or more of these fine print "viruses," then the potential purchase and subsequent enjoyment of that purchase will likely be compromised.

1. "Original prices may not have resulted in actual sales."

This one kills me! You almost have to read it a few times to understand what they are actually saying. This fine print statement shows up in many consolidators' websites and in brick-and-mortar store catalogs. It means the price listed as the original price is bogus! Nobody on this planet or any other one ever paid sticker! The price exists to give you a sense of savings when you compare the "sale" price to the "original" price. This is how stores

run those fake 50 to 75 percent off sales and still make a nice profit. Anytime someone says you are getting a sale price, ask them to put in writing the fact that someone in this universe actually paid the original price. If they won't, the asking price is the real price; there isn't a real sale going on and you need to take your business elsewhere.

2. "Diamond carat weights (ct) represent the approximate total weight of all the diamonds in the setting and may vary no more than .07 below the stated weights." Or
3. "All total carat weights are approximate."

While the law (Federal Trade Commission) says that any diamond piece of jewelry sold has to weigh within .005 ct of its actual weight, there is an exception. The exception is when stated otherwise. Translation: Any jeweler can tell you a diamond weighs any amount regardless of whether it weighs that amount if and only if this fine print virus is posted on their website, in their catalog, or in any paperwork they give you! If you see it or ask if the weights they sell are approximate and they reply affirmatively—RUN!

4. "The genuine gemstones in this catalog may have been treated or enhanced by heating."

This one is sneaky! Usually this paragraph is followed by, "Generally, diffusion (sapphires), oiling or waxing (emeralds and opals), irradiation (blue topaz), or surface enhanced (mystic or twilight topaz)." The key here is generally. By using "generally" it means they can treat their diamonds with no further acknowledgement

than this statement. Translation: You could spend thousands of dollars on a diamond that has actually been baked and is brittle! If you're after quality, stay away from any jeweler that alters their gemstones and hides the fact in the fine print.

5. "This report is not a guarantee, valuation, or appraisal and _____ has made no representation or warranty regarding this report, the article(s) described herein or any inscription described in this report." Or
6. "_____ Lab and its employees and agents shall not be liable for any loss, damage, or expense for any error in or omission from this document or for its issuance or use even if caused by or resulting from the negligence or other fault of _____ Lab and its employees." Or
7. "The client declared and accepts that a certificate, drawn up in accordance with the scientific methods applied by _____, cannot as such be disputed before _____, and _____, its appointees or _____ are on no account responsible for possible dissimilarities and/or differences that could appear from repeated examinations or as a result of other methods applied." Or
8. "All clarity characteristics may not be shown."

These fine print viruses were all taken directly from lab grading reports. Lab names have been deleted to protect the guilty. The purpose of a lab grading report is to offer declarative objective information that the purchaser can rely on in order to make an informed decision. As consumers, we're looking for guarantees. If

we are told it's X, it should be X. We shouldn't be told it's X and then in the fine print find out it might be X and if it's not, the vendor cannot be held liable. Any lab report that has these slimy small print viruses should be disregarded as nothing more than propaganda. Any lab report whose opening sentence is "This report is not a guarantee, valuation, or appraisal," is as useful as a college degree purchased on the Internet. A lab unwilling to stake their reputation on what they say in their document serves no purpose. This is why the guild stores like Tiffany, Cartier, and Harry Winston are all using internal labs where the grading can be quadruple checked in order to guarantee your purchase. If the labs don't clean up their act and lay down some hard and fast guarantees with their reports, the steroid baseball scandal will seem minor in comparison when tens of thousands of clients realize their diamond doesn't really match the report and their rock is worth less than 20 percent of what they paid.

9. "Diamond grades may vary."

I saw this little ditty in many department store (jewelry department) catalogs and mall jeweler catalogs. "Diamond grades" can refer to the clarity, color, and class of cut, so this little number can create a pandemic of problems. This statement literally allows the vendor to call the diamond any type of quality they want! "Vary" is so subjective that the deceptive jeweler could argue that "vary" means any number of grades off in any direction. Very simple solution here—tell the jeweler to put in writing that they guarantee every single characteristic they are telling you about or giving you in a lab grading report and if it is disputed by any accredited appraiser that you can get your money

back or a replacement—no questions asked. If they blush or hem and haw, get walkin’!

10. “Some styles may contain single cut diamonds.”

Single cut diamonds only have 16–17 facets (these are usually small diamonds) instead of the standard 58. Little diamonds that don’t have enough facets flatten out and fog out very quickly when they get a little bit dirty. No brand new ring should come with single cut diamonds. If sparkle is important to you in your rocks, avoid these.

11. “Gemstone products are often treated to enhance their beauty. Some treatments may not be permanent and require special care.”

This one is horrendous! They are saying that anything under the sun might have been done to your rock (baking, laser drilling, bleaching, etc.) and any side effects are not their responsibility. Not only that, they are stating their “enhancements” might not be permanent (the rock could fall apart) if you aren’t careful. Any diamond, I repeat, any diamond that may have been treated needs to be avoided! Period.

12. “Photos may be enlarged and/or enhanced.”

OK, I get the enlarged part, so I can see what I’m buying better. But the enhanced part crosses the line! The whole point of enlarging is to see the fine detail. If the true detail has been altered to look better, then how do I know what I’m getting? Look, if I’m in a chat room and someone emails me a picture of

Christy Brinkley and tells me it's them, aren't I going to be a little disappointed when I meet them in person?

13. "If the merchandise is lost, stolen, or damaged, it will be replaced with like merchandise or what it costs us to replace it."

This is known in the industry as the "like clause." Mid-cap insurance companies place it in the fine print so they don't have to match exactly what you originally had. With some insurance companies "like" means within one clarity grade, one color grade, ten points of carat weight, and no provisions for class of cut, treatment, or fluorescence. Your half-million dollar home burned down and they want to give you a tent to live in, arguing that it is "like" merchandise because it also provides shelter! Any insurance policy with the "like clause" is practically worthless. Premium policies from Lloyds of London or Chubb do not have "like" clauses.

Knowledge is power. Now that you are aware of these fine print viruses they'll be easier to find and recognize.

Real versus “Fake” Diamonds

The Bellataire Diamond

“Should Jewelers start warning customers that the diamond they’re buying could be treated for color, but there is no way of knowing for sure?”

That’s a direct quote from *Jewelers Circular Magazine*, September, 1999, page 92. What they are talking about, along with everyone else, is what could be “the greatest gemological crisis to hit the diamond industry!” That’s at least what Gemological Institute of America President William Boyajian said at a symposium.

The Bellataire Diamond (formerly known as Monarch Diamond, previously Pegasus) is a non-detectable, color-enhanced, treated diamond that is now on the market and wreaking havoc.

The diamond is the brainchild of General Electric and Lazare Kaplan and is sold through a company called Pegasus Overseas Limited.

In a nutshell, here’s what they do. They take an inexpensive brown or yellow diamond, heat it at high temperatures and pressure, and bake out the nitrogen or boron present to make it white. Like a twice-baked potato, with one exception—this one will leave a bad taste in your mouth!

Baked diamonds, or annealed diamonds as some people refer to them, though they are undetectable to labs or independent appraisers, have one major flaw: they are brittle! Moreover, treated diamonds have little or no secondary market value.

Insist your diamond comes with a bonding document to guarantee that it is natural, or you could just wind up buying one of the most expensive pieces of costume jewelry ever.

“Fake” Diamonds

Many customers want to be reassured that their diamond is really a diamond. This should not be a major worry, unless you bought your diamond from a guy on the street. No legitimate jeweler, even one who might try to cheat on color and clarity grades, is going to slip you a piece of glass, a cubic zirconia, or even a synthetic diamond and try to pass it off as a real diamond.

The Yehuda Diamond

The Yehuda diamond, relatively new to the diamond marketplace, is named for Zui Yehuda of Israel. He’s the man who developed the process of “filling” a flawed diamond to make it more attractive.

Here’s how it works. Yehuda takes a diamond that has cracks on the outside and fills the cracks with clear molten glass. The cracks disappear. Using this process, Yehuda can take a stone with an I1 clarity grade and make it look like an SI2. The advantage of the Yehuda diamond is that you can get a slightly better-looking diamond without paying a higher price.

The disadvantages of the Yehuda diamond:

- You don’t know how long the treatment will last. You might be wearing the diamond one day and it will look great, and the next day the filler will fall out, leaving you with a flawed stone.
- Any repair work on the setting could damage the filler.
- Most people don’t like the idea of having a diamond that’s not all diamond. If you buy a Yehuda diamond, you might have a very hard time reselling it.

The Fall of the Tablet of Truth

Once upon a time, a long time ago, in a land far away, lived the house of GIA. In this house were the most respected and honorable knights. Every day they went into battle to uphold honor, credibility, and the search for the tablet of truth. Many would come from faraway lands to the house that GIA built and ask but one question, "Does my rock of honor speak the truth? For if my rock is a mere pebble then I shall send it back from where it hath come and choose another." All were happy in the land of Debeerios until another family built another house that said their knights could find the truth as well. Soon there were many houses. The houses of IGI, EGL, AGS, HRD, and others all proclaimed that their knights could foretell the truth of the stones of destiny better than the other. The land of Debeerios was in a state of confusion. Does truth have many faces? And if so, which face tells no lies? All the country's men and women were lost.

Then one day a great man rode into Debeerios on a white stallion. His name

was King Bonding. Everywhere he went the villagers would follow. He went to every house and spoke with every knight and when he was done he made a proclamation: "There are some knights in all houses that do not speak the truth, or hold their tongues and speak only partial truths. To bring honor back to the stones of destiny, I will bless only the mightiest of stones. These stones of destiny that have been blessed by King Bonding will forever be known as The Fully Bonded Stones of Destiny! These stones can tell no lies for their value can never be disputed!" The land of Debeerios rang with happiness and joy for truth had been restored. No longer could the knights of the houses distort the truth for their own selfish reasons, because if they did, they would never win the final battle with King Bonding.

The Federal Trade Commission requires a jeweler to disclose whether a diamond has been treated. But many jewelers don't have the expertise to know if a stone has been treated, and may buy or sell a Yehuda diamond unknowingly.

THE IMPOSTERS

For six months I slowly and methodically collected data on a group of gemstones I like to call the “Imposters.” An “Imposter” is any gem that claims to be as good or better than, just like, as hard, more beautiful than, but cheaper than a diamond. The “Imposters” come in two groups, the simulants and the synthetics. Let’s take one at a time.

The Simulants

A simulant is something that looks similar to a diamond but does not have the same properties (weight, specific gravity, refractive index, hardness, etc.). These would include c.z.’s, glass, white corundum, Y.A.G. (Yttrium Aluminum Garnet), Graffs simulant, The Asha, Diamonelle, and Zirconite to name a few. Many of these companies (I won’t mention them by name, you know who you are) make some pretty outrageous claims. Some say they have created a super simulant that will sparkle and last forever. Well, I guess that’s true, but for it to be true you cannot wear it.

It’s like those abdominizers that claim you can get rock hard abs while using their machine. That’s technically true but only if you diet and exercise and use the machine! Most, if not all of these companies will give you a ton of technical data meant to impress us. For example, they will tell us how brilliant and sparkly their fakes are and back them up with Sarin reports, Megascopes reports, brilliance scope measurements, and on and on. Look, nobody’s disputing that a lot of these simulants are pretty (with the exception of moissanite), the problem is their hardness.

Vendors brag about how hard their stones are and how they put diamond-like coatings on their rocks to keep them looking beautiful till the end of time. Then, they say, if we're wrong we will give you a new one. So what!! If they're wrong why would you want a new one? If a particular brand of VCR broke every six months would you be satisfied getting the same product again and again and again? One of the fakes I tested came with a guarantee that actually said, and I quote, "Should your gem ever become chipped, scratched, lose its optical characteristics, or otherwise become damaged as a result of normal daily wear, please contact us to arrange the return of your gem and the defective gem(s) will be promptly replaced. The warranty does not cover damages by another jeweler's work (Example: During setting of the gem, or during repair of jewelry that the gem is mounted in) or damage due to wear during unusual activity such as rock climbing, construction, or other occurrences where common-sense would indicate jewelry is likely to be damaged."

Can you believe this?! For starters, who's in charge of deciding what normal daily wear is, and second, where's the common sense committee that decides when it is dangerous or not dangerous to wear your sparkly new "Imposter"? But you want to know the craziest part? It's the fact that your typical c.z. runs just dollars a carat and some companies are selling their super rocks for up to \$400.00 a carat! P.T. Barnum was right; there is a sucker born every second and two to take his place.

Most of the prettiest simulants I examined were hand cut c.z.'s versus machine manufactured ones. And yes there are companies selling them for a fair price (\$5 to \$10 a carat wholesale; \$20 to \$30

retail). Jewelers Direct and BodyJewels are companies that sell their product at a fair price.

Moissanite is another popular “Imposter” running as high as \$500.00 a carat. They are more durable than hand cut c.z.’s but still no match for the hardness of a diamond. They are made by synthesizing carbon, hence making them doubly refractive. The biggest down side to these is their inability to obtain nice colors. All the moissanite I’ve seen has a grayish dull overtone.

Synthetic Diamonds

In 1954, General Electric produced the first synthetic diamonds. A synthetic diamond is a rock that has all the properties (durability, hardness, refractive index, etc.) of a natural diamond but was made by man. Not to be confused with simulants (those that look similar to a diamond but don’t have the same properties) like glass, cubic zirconia, or moissanite. Think about it: Man was able to create in a laboratory what it took Mother Nature one hundred million years (minimum time required for a natural diamond to incubate) to do. I’ll tell you something more incredible! What didn’t happen in 1955? Can you guess? That’s right, no synthetic diamonds in the market place! Not in ’56, ’57, ’58, or in the ’60s, ’70s, ’80s or early ’90s! Man figures out how to make diamonds then man doesn’t do anything with the discovery? Why?

Let’s look at the facts. Right after General Electric learns how to synthesize a diamond (which, by the way, wins a Nobel Prize for P. W. Bridgeman of their company), GE is interviewed about the details. They say, “We’ve only learned how to grow industrial quality diamonds (not sufficient quality to be cut into a gem for a piece

of jewelry but rather to be used for drill bits, semi-conductors, and such).” It would be sixteen long painstaking years before man would not only walk on the moon, but also create a gem quality diamond the likes of Mother Nature. GE is interviewed again and I quote, “We’ve conquered the next hurdle; we can now produce transparent gem-quality diamonds in an attractive size. There’s only one problem. They cost more to grow than to find, cut, and polish.” End of story? Hardly! Another quarter century would go by when a little company called Gemesis Corporation would raise their hand and say, “I think I can do it. I think I can figure out how to grow a diamond cheaper than it costs to find one.” The problem was very few people were listening and those that did just scoffed. “If General Electric in partnership with DeBeers can’t figure out the secret to growing diamonds at a profit, there’s no way some little start up company is going to figure it out!” Know what? They were wrong!

Not only has Gemesis figured out how to grow white diamonds, but they’ve also figured out how to grow the tremendously expensive fancy colors—the blues, canary yellows, oranges, and even the million-dollar-per-carat reds! I know what you’re probably saying, “Fred, if this is true, why isn’t it in all the newspapers, on TV, and radio?” Well, the reason is only now have companies like Gemesis grown enough raw diamonds to be able to meet the inevitable demand onslaught! It makes no sense to go public when you don’t have enough supply to meet the demand.

The Interview

I once had the honor and privilege to talk to Carlos Valeiras (the President and CEO of Gemesis). Here is a portion of my interview.

Question: Mr. Valeiras, I know you've unlocked the secrets to growing diamonds that encompass all the colors of the rainbow, so what will you serve up as a first course to the diamond-buying public?

Answer: While certainly there is a strong demand for the whites, the canary diamonds (yellow) are easier to grow and will offer the best price point to the public. Using your words, that will be our first course along with the oranges.

Question: What kind of price breaks will you be able to offer from the naturals?

Answer: The canaries and oranges will be offered at about 1/3 the going price of the naturals.

Question: You said that you can grow the whites. What's keeping you from offering the whites right now?

Answer: We can currently produce about six hundred carats of rough a month and we're moving every piece! Since the canaries are more profitable for us and offer the best savings to the end consumer, we're not going to add the whites till we can fulfill the demand for the yellows.

Question: How would anybody know they are looking at a synthetic versus a natural?

Answer: All of our synthetics will most likely be laser inscribed identifying them as lab created. The diamonds will be marketed under the brand name Gemesis Cultured Diamond.

Final Thoughts on Synthetics

Synthetics do not appreciate in value and have no trade-in value. In April 1995, synthetic diamonds became available to the public, selling for about two-thirds the cost of natural diamonds. There is no secondary market for these stones, so if you buy one you're stuck with it forever. If you tried to resell it you'd get back only 10 percent of your initial investment, versus an 80 percent resale average for a good quality natural diamond that was correctly purchased. As of January 2008, it is not profitable to grow or replicate a real natural diamond of any impressive size with a high clarity or colorless grade. Yet if you surf the web there are over a dozen companies claiming they are selling lab created diamonds; synthetic diamonds. Pure fiction. For the latest on synthetic diamonds, go to my website, www.thediamondguy.com.

Making the Purchase

A Final Review

1. Fill out the Gift Questionnaire Sheet.
2. Call all potential jeweler candidates on the phone and have them answer questions on the Jeweler Questionnaire Sheet.
3. After you've called all the jewelry stores that you're planning to compare and have filled out a Jeweler Questionnaire Sheet on each one, pick the top three rated stores.
4. If for any reason you cannot find a jeweler in your area that satisfies all the requirements, call my HelpLine for assistance (800-275-4047).

5. Before you visit your jeweler choices, call each one and make an appointment. By making an appointment you can be assured that you will get individual attention.
6. Once in the jewelry store, look at the diamonds they have to offer. Write down the clarity and color grade of each stone you like and fill out the Proportion Questionnaire Sheet on each stone. Only consider purchasing diamonds that match the carat weight, clarity, and color you like and pass the Proportion Questionnaire Sheet. Their prices should also be close to the recommended prices listed in this book.

Tricks of the Trade

Blue Diamond Blues

Some jewelers may try to market a “blue-white” diamond as though it were a white diamond with a hint of blue, and more valuable than a plain white diamond. It’s not! It’s a diamond that fluoresces blue and is therefore less valuable. Avoid it!

The “50% Off” Sale

Browsing through your Sunday paper you spot an exciting ad: a local jeweler is having a “50% Off” sale on diamonds! Wow! You jump into your car, drive to the store, and you make what you are sure is an incredible buy on a one-carat diamond.

You’re still patting yourself on the back a week later when you happen to walk past another jewelry store where you see the same size, same quality diamond selling for less than what you paid—and *it’s their regular price!* What happened?

You were taken in by a fake sale. Many jewelers run these sales. They’ll take a diamond that is worth, say, \$1,000 wholesale and instead of marking it up 100 percent, which is standard practice, they’ll mark it up 400 percent and tell you that \$4,000 is the regular price—when in fact the regular price for such a stone would be \$2,000. Then the jeweler takes 50 percent off the inflated price and sells it to you for full retail, \$2,000.

The way to know if you're really getting a sale price is to compare the jeweler's price with the wholesale price list in this book. If the jeweler's regular price is more than double the wholesale price, you're not getting any bargain.

For example: Joe's Jewelry Store has a one-carat VS1, G(1) on sale for \$19,152, marked down from \$38,304. You look at my price list and see that a one-carat VS1, G(1) wholesales for \$12,699. Therefore, full retail should be \$25,398. Joe has artificially inflated the "regular" price to trick you into believing you're getting a bargain.

Bait and Switch

This is a term that's been around for a long time, and it's not limited to the diamond business. Bait and switch refers to anyone who runs an advertising special on a particular item just to get you into the store. When you go to the store, however, you're told that the advertised item is sold out. Then they try to sell you something else—invariably, something more expensive. The jeweler hopes that since you've already made the trip to the store, you won't want to go home empty-handed.

Don't be impatient! Many people arrive at the store determined to buy something and get talked into something they don't really want. Take control! Grade the jeweler using your Jeweler Questionnaire Sheet, and if he or she passes that test, stick around and look at some diamonds, using a scratch sheet to check each one. Compare the prices to the wholesale prices in this book, to see what kind of deal you're being offered. And for an exact updated price on a particular stone, call my HelpLine, 1-800-275-4047.

Is White Really White?

Jewelers love diamonds that fluoresce blue, and will sometimes install special lighting to enhance the fluorescence of their diamonds. The blue masks the yellow color that might be in the diamond and make it appear to be a higher color grade than it really is. Always take the loose diamond you're looking at and place it on a white background to check the color, and make sure there are no spotlights shining on it. Always ask the jeweler if the stone has fluorescence. If he says no, ask him to prove it by placing it under an ultraviolet lamp so you can see if it glows a particular color. If you decide to buy the diamond, get it in writing whether or not the stone has fluorescence.

Grade Bumping

The Federal Trade Commission requires that a diamond be within one clarity and color grade of what it is originally sold as. Because of this, jewelers tend to “bump” the grade. For example, if a jeweler buys a stone as a VS1(G) he'll bump it up and sell it as a VVS2(F). If you buy it as a VVS2(F) and have it appraised as a VS1(G), the dealer is legally covered, because he sold it within one grade of what it really is.

The Fraction Scam

Some jewelers will list the weights of their diamonds only in fractions, such as $\frac{3}{4}$ of a carat. Your next question should be, “Well, is it seventy-five points or not?” Many jewelers will call anything from sixty-five to seventy-five points a $\frac{3}{4}$ carat diamond. These same jewelers will call anything from ninety points to one hundred points a full carat. *This is illegal.* A diamond must weigh within *half a point* of its stated weight. You'll notice a jeweler will never round a diamond down—they'd never call an eighty-five-pointer a $\frac{3}{4}$ carat stone. Ask the jeweler to weigh the stone, in front of you, on an electronic scale.

If he says he can't because it's in a setting, you shouldn't be looking at it anyway. Only buy loose diamonds.

The Old Switcheroo

You've shopped around, rated the jewelers, graded the diamonds, and finally found the stone you want. You lay your money down and order a setting. When you get the ring, you have it independently appraised—only to discover that the diamond in the ring isn't the same stone you purchased! The jeweler has pulled a switcheroo. You go back and confront him, and he accuses *you* of switching stones.

What now? There's really nothing you can do, no way to prove a switch was made. You must prevent the switcheroo before it happens.

When you decide on a diamond, get the jeweler to put in writing the exact weight and the clarity and color grades of the stone. Before the diamond is mounted, have the jeweler show you where the blemishes and inclusions are, and plot them on a drawing. Keep this drawing with you, and when you return to pick up the mounted diamond, check it again, looking for the same flaws that are on your drawing. If they match, you have the right diamond.

The Sandbagger

If you've purchased a diamond by following all my instructions, you shouldn't feel the need to go to an independent appraiser to double-check your purchase. But if you do, watch out for the sandbagger! The sandbagger is someone who lies to you and tells you that you've been taken, that your diamond isn't worth what you paid for it. Why would he do that? So that he can recommend where you

should buy your diamonds—no doubt at a place which gives him a kickback! Or he may tell you, “You should have bought from me.”

The Vanishing Act

Now you see it—now you don’t! Carbon, that is. There is a laser beam process for removing carbon from inside a diamond. It’s called *laser drilling*. A diamond that contains black carbon, visible with a 10X loupe, is zapped with a fine laser beam which vaporizes the carbon, removing the black spot.

The problem is that the laser beam creates a *tunnel* from the surface of the diamond to where the carbon used to be. You might not be able to see this tunnel with the naked eye, but you’ll see it under a loupe. And if a stone has been drilled several times, it can be weakened.

Laser drilling can make a diamond more attractive to the eye, but it can also lower the resale value. The Federal Trade Commission requires jewelers to disclose to consumers whether a diamond has been laser-drilled.

So, you think it’s easy to get a good engagement ring? Or do you think you’ve already got a good one? Better think again, the cards are stacked against you...

The Dirty Dozen

Twelve Little Facts You Probably Didn’t Know

1. The average person in the United States pays twice what they should for their engagement ring.
2. One out of every three diamonds sold in the United States is laser-drilled.

3. One out of every fifty diamonds sold in the United States is fracture-filled.
4. One out of every two diamonds sold in the United States has been treated to some degree, including doublets, coating, and irradiation.
5. Ninety percent of all round diamonds are cut poorly to salvage weight, resulting in diamonds that lose two-thirds of their potential sparkle.
6. Ninety-eight percent of all fancy diamonds (pear, marquise, emerald cut, etc.) are poorly cut to salvage weight, resulting in diamonds that lose two-thirds of their potential sparkle.
7. The average diamond sold in the United States with a lab grading report may have been over-graded in quality by two grades to enhance its salability.
8. Two out of every three diamonds have fluorescence (a diamond's reaction to ultraviolet light) that causes the diamond to look oily and milky in sunlight.
9. One out of every five diamonds is weighed incorrectly to increase the profit margin of the jeweler.
10. The average diamond sold in the United States is tinted yellow and will probably never appreciate in value.
11. The average diamond sold in the United States has cracks, breaks, or contains carbon that you can see with your own eyes.

12. If we define a good diamond in general terms as a diamond that is big, white, clean, sparkly, and will hold its value and/or appreciate in value over time, less than 20 out of every 1,000 diamonds sold in the United States would classify as good.

Torquing

Webster defines torque as something that produces or tends to produce rotation or torsion and whose effectiveness is measured by the product of the force and the perpendicular distance from the line of action of the force to the axis of rotation. Boy like that helps... Sorry. To “torque” however, is a slang term in the business for over-tightening with the intent of trying to damage the rock. Torquing is kind of like spiking a punch bowl or a disgruntled chef adding a little something to your entrée that doesn’t pass the health code. Torquing is usually done by someone you may have purchased the setting from but not the diamond or a jeweler you stopped by for ring cleaning that didn’t sell you the diamond. Torquing is the destruction of your property just like vandalism with you as the victim.

The scenario usually goes like this:

Jeweler (The Torquer): Good morning, may I help you?

Happy Couple (You & Fiancée): Nope, already have our ring, just killing some time.

Jeweler: Grrr... (under his breath) Killing my time!

Happy Couple: Excuse me?

Jeweler: Umm. I was just admiring your ring. Would you like a free ring cleaning?

Happy Couple: Oh my, that would be delightful!

(All right maybe nobody says “delightful” these days, but it’s my story.)

Jeweler takes the ring to the back and hands it off to the henchman,
I mean bench man.

Jeweler: Give it the “They should have bought it here special!”

Bench Man: No problem boss, one torque job coming up.

He pulls out a pair of tightening pliers and crunches the prongs till he hears a high-pitched ping (high-pitched ping is the diamond cracking under prongs).

Jeweler: Good as new!

Unaware Couple: Thank you; it looks lovely.

End of scenario

The mean bad jeweler has now accomplished two things: one, he’s vented his anger out on your ring, and two he’s set up the poor jeweler who sold you the diamond to take the fall when the pieces of the girdle fall off. When that happens, the M.B.J. (Mean Bad Jeweler) will hope that you are mad at the old jeweler and maybe you’ll remember the nice guy who cleaned your ring for free for your replacement diamond.

What’s the lesson here? Whoever you buy your diamond from sets it, cleans it, tightens it, and does all annual checkups. We want to keep all M.B.J.s out of our lives.

Inscription Deception

One of the latest crazes is to have your diamond laser inscribed. What I’m talking about is the placement of serial numbers by a laser on the girdle of diamonds for identification purposes.

Perception:

By placing a serial number on the girdle of a diamond that matches a lab grading report an independent appraiser can verify if the diamond

matches the lab grading report. Also, if the diamond is ever stolen and recovered the serial number can be put into a database so the diamond can be returned to you. The inscription is permanent like a tattoo, and cannot be removed or altered without a major weight loss or potential damage to the diamond.

Reality:

The only way to be 100 percent sure a diamond matches a lab grading report is to check its measurements and match up its plotting of inclusions and blemishes. Anybody can take an extra lab grading report and laser inscribe its number on a diamond that doesn't match it. If some common thug stole your diamond, having a serial number that matches your lab grading report might bring it back to you, but it is unlikely. All sophisticated jewel thieves have the girdles repolished to remove the laser inscription so the diamond cannot be traced. This of course dispels the notion that an inscription is permanent and cannot be removed.

I have to hand it to all those companies that keep trying to come up with some new gimmick to hook us on. But come on; let's put this in the simplest of terms. If we already have the fingerprint (the plotting) of the diamond, we don't need to carve our initials into it to prove it's ours.

Pillow Tops

Cushions, Asschers, European, Old-miners, Rose cuts; all diamond cuts long gone like the era they flourished in. Gone like the flappers and the Roaring Twenties; gone like the Great Depression and the Zoot suits...or are they? Gadzooks, the Pillow Tops are back!

Practically every jeweler from here to Kalamazoo has resurrected Pillow Tops and is selling them as the diamond your “Nana” used to wear! Well guess what? Your “Nana” got wise and unloaded it when she realized that the Pillow Tops are the most overweight, chubby, least sparkly, worst value of all diamond shapes! Looks like we have to learn the lesson all over again. The lesson: The rounds are the most valuable and the Pillow Tops are just for show. If you want to impress for less bucks than step right up and buy a Pillow Top. If you want to invest in the best then avoid the inexpensive cushions and buy round. As a nation, we learned these lessons and buried the Pillow Tops over 50 years ago, but just like a bad cold that you can’t shake the Pillow Tops are back.

It kills me to see one customer after another be hood-winked into buying these diamonds that should have stayed buried. This resurrection was made possible by hooking celebrities into buying “estate jewelry” which was later copied by the general public. Please, if it’s important to you at all that your diamond be worth what you pay for it, leave the Pillow Tops on your mattress and away from your fingers!

The “True Weight” of Diamonds

One carat diamonds offered for sale rarely truly weigh one carat if cut correctly.

Let me explain. Diamonds are a lot like people. They come in all shapes and sizes and just like people, they can carry a little extra weight. In fact, in the community of diamonds, more diamonds are “overweight” than in the community of people: Up to 88 percent of all diamonds. The sad part is that it’s the diamond

industry that is purposely producing all of these chubby diamonds! In 1919, over eighty years ago, a gentleman by the name of Marcel Tolkowsky determined that the diamond industry as a whole was cutting diamonds incorrectly and adversely affecting the diamond's sparkle. Mr. Tolkowsky released a paper on the correct way to cut a diamond so it would have maximum sparkle (light return); no excess body fat. The Tolkowsky cut ended up becoming the American ideal. Subsequently, in the 1950s, a gentleman by the name of R.W. Ditchburn applied the same mathematics in order to trim the fat off the other shapes (marquise, pear, oval, etc.). For decades, if you asked for a well-cut "Ideal" diamond of a particular size, you got it. Then the marketers convinced the public that a one carat diamond or more was the dream size. That's where the problems crept in. Diamond cutters all over the world started inventing their own criteria for "a well-proportioned stone" so they could fatten up the diamond. Clearly we have a problem when 75 to 88 percent of all one carat diamonds are overweight! Just like in the old commercial where there was a whole lot of bun and very little meat, we are running into the same problem today with diamonds that should be one carat but are cut fat so that they will tip the scales over one carat.

The only way the problem is going to be solved is for the diamond buying public to start asking for the diamond's "True Weight." True Weight is a diamond in which the crown height plus max girdle thickness plus pavilion depth equals the total depth percentage and whose proportions meet class I or class II criteria. I've never met a jeweler who will volunteer to the consumer that the device used to measure the diamond's vitals (Sarin or Megascop machine) also has a fat content measuring button! It's called the re-cut feature.

Once a diamond has been analyzed, all the grader has to do is enter the recorded data into the re-cut program, enter the desired results (like a plastic surgeon showing you what your nose will look like after the surgery), and click the mouse. In seconds, the re-cut program will announce what the diamond should have weighed if it had been cut correctly vs. its current weight. Practically every diamond I see is overweight by 20 to 30 percent!

It is the diamond's "True Weight" we should be paying for, not extra love handles left on by the cutter. If enough of us demand to only pay for a diamond's "True Weight" versus its "over-weight" then maybe someday the cutters will get the message.

Diamond Mysteries

Things Aren't Always What They Seem

Story 1—Mistaken Identity

It was a crisp February morning when Sarah finally got around to going through Gram's jewelry box. She opened the box of memories filled with charm bracelets, add-a-bead necklaces, sterling silver from her turquoise phase, and of course, "The Ring." As the only granddaughter, the ring had been promised to her when she had barely learned to walk. She could still hear Gram's words echoing in her head, "Little Sarah, this ring used to belong to my grandmother. Bought on a rail man's salary and some day it will belong to you."

With all the sparkling baubles and beads, was a neatly organized stack of papers. In that stack of receipts and appraisals she found the original sales ticket of \$629 (a king's ransom in those days) for

the ring. It was over one hundred years old. With that were a few appraisals that had been done on the ring, the last one dated Nov. 14, 1929. It valued the ring at over \$3,100!

As Sarah slipped the ring on to her finger for the first time, it didn't make its way past her knuckle. Gram had lost a lot of weight over the years and it had been sized down repeatedly. Gramps always took care of that before he past away almost a decade ago. The ring would need to be sized again for her to wear it.

Later that afternoon she went by a popular jeweler she had heard her friends talk about, had her finger sized and left her heirloom. It would be ready by the end of the week. The next day, Sarah received a phone call that would change her life.

"Mrs. Allen, this is John Stevens. I'm the manager at McKay's jewelry shop. I don't know how to tell you this, but the center stone in your grandmother's ring isn't real. It's a diamond simulant. Something that looks like a diamond but isn't." Sarah practically passed out.

What happened? Was the jeweler telling the truth and if so how could that be since she had the original sales ticket and appraisals on the diamond? Also, if the jeweler was innocent, why did it take him a day to discover the stone was imitation and not when she brought it in? Is the jeweler the thief or an accidental pawn in a game of the vanishing diamond?

Keep reading to learn the answer to this and the following mysteries.

Story 2—Change of Heart

Michael had been dating Mary Katherine off and on for almost three years. It seemed every time they would get close to a commitment, some monkey wrench would send them back to square one. After a lot of soul searching, it finally dawned on Mike that even though he had told M.K. he loved her, he had never “put his money where his mouth was.” So when it came time to clock out on Friday, he headed straight for the mall to buy an engagement ring. This would finally settle once and for all to Mary Katherine and the rest of the world that he wanted to spend the rest of his life with her.

Michael planned to pop the question on the following Friday, but by Saturday it just slipped out, “Mary ah, M.K., Mary Katherine, will you marry me?” Mike stumbled for the ring that had been in his pocket since yesterday. “Well, just don’t sit there, what do you say?”

“Um, ah, sure, wow, how big is it? You betcha.”

During the next month things seemed to go the same between Mary Katherine and Michael, but there was something he couldn’t quite put his finger on. Something was wrong. And exactly six weeks to the day Mike had popped the question, he found out what: “Mike look,” Mary Katherine started, “I’ve had some time to think about it and well, I don’t think I’m ready.” She promptly handed the ring back. Before Michael could say another word, the woman of his dreams walked out of his life with a hug, a kiss on the cheek, and “Let’s still be friends.”

It took Michael two weeks before he could bear to look at the ring he had tossed in his sock drawer since the break up. But with the sixty-day return policy looming, he didn’t want to own the ring and

not have the girl. So he headed off to get his refund. He felt sure the jeweler would understand.

“Hi Mike, how’s that new fiancée of yours doing? When’s the wedding day?” asked Stan, the jeweler.

“Well, the thing is, Stan, it didn’t work out, I’m going to need to get my money back.”

“Geez, sorry to hear that, can I see the ring?”

With that Michael handed over the little ring box of broken promises when... “Hey Mikey, I don’t know what you’re up to but this ain’t no diamond! What are you trying to pull?”

“What am I trying to pull? That’s the same stone you sold me! If something’s amiss, it’s by your doing!” The battle lines were drawn and out came the sabers! What happened?

Story 3—Double Take

“So how much is the diamond?” asked Allen to the attractive sales girl at Clark’s Department Store. “The tag says it’s \$850. Got anything more expensive?”

“I believe so but they’re in the vault and only the store manager, Mr. Peters, can handle that.” As much as Allen enjoyed talking and flirting with the curvaceous blonde, he relented.

“Well I guess I need to meet with Mr. Peters, but you have a fine day with your fine self!” The clerk excused herself.

Within a few minutes Mr. Peters stepped out of one of the corporate offices. "May I help you?"

"Yes," replied Allen, "I'm looking for an expensive diamond, preferably loose."

"So," Mr. Peters said with a smile, "Someone getting engaged?"

"Something like that," Allen replied.

"You said expensive but how big do you think your future fiancée would like?"

"Let's not worry about her, what do you have in a loose diamond, must be round, 2.11ct?"

"Hmm, let's see, around 2ct, here's a lovely 2.02 VS1, E in a four prong platinum tiffany setting."

"No, no thank you," replied Allen. "Loose, I want to buy it loose."

"Okay, that's fine, but what kind of setting are you eventually going to put it in?"

"I'll worry about that later," Allen snapped back. "Can I please see some stones now? I'm kinda in a hurry."

"No problem, let's see what I've got. How about a 2.05; its clarity is..."

"No, no bigger!"

"Alright how about a 2.20?"

"Okay." This piqued Allen's interest. "How much?"

"\$19,000 flat," replied Mr. Peters. "It's an SI1 with an H color, ideal cut."

"Wow, that looks pretty good, I'll take it."

"Well, okay sir." Mr. Peters was surprised; he'd thought this guy was wasting his time. "How would you like to pay for it?"

"Charge it, the American way."

Within fifteen minutes Allen was on his way with his new diamond. When he got home it only took Allen a few minutes to retrieve the yellow pages he had perused earlier. "Here we go," Allen thought to himself. "While You Wait Appraisals." He called and made an appointment.

"Mr. Richmond will see you now," said the small, quiet-spoken receptionist at the appraiser's office.

"Thank you," replied Allen. Mr. Richmond sat behind a small metallic desk surrounded by microscopes, scales, monitors and things with blinking lights.

"Mr. Allen Ball? How can I help you today?"

"Well, I just bought this diamond a 2.11ct, Round, I mean a 2.20 Round SI1(H) and I just want to make sure everything is on the up

and up.” Allen handed Mr. Richmond the small, neatly folded parcel paper that held the loose stone. Mr. Richmond took it, opened it, and let the rock slide out of the paper into an awaiting polishing cloth, where it was quickly covered up and rubbed.

“I’m giving it a good cleaning before we take a look.” Within seconds he opened up the cloth and gently dropped the stone on to a white pad that laid in front of him. There he picked it up with a pair of tweezers and viewed it under a 10X magnifying lens. “Hmm, oh my, Mr. Ball, I don’t know how to tell you this, but this isn’t a diamond. It’s a cubic zirconia.”

“What? That’s impossible! I know it’s a diamond. All I need for you to tell me is that’s not the quality I paid for!”

What happened?

Story 4—Now You See it, Now You Don’t

Every day Margaret started her day with the same ritual: shower, breakfast, and a dip. Not a dip in the pool but a dip in the ultrasonic cleaner for her beautiful 2ct VS2(G) round diamond anniversary ring. The ring was mounted in 18K yellow gold and meant the world to her. Four children, twenty-five years of love and devotion, six relocations and one grandchild later, this ring was her gold medal.

Today, like all other Thursdays, she met with her gal pals for a roaring game of cutthroat bridge. True to her schedule, right after breakfast she pulled down the ultrasonic cleaner from the bay window above her sink. Upon looking inside, she realized that she had

allowed her ammonia and water solution to evaporate, so she would need to mix up a fresh batch. “Hmm, let’s see, where’s that Parsons sudsy ammonia?” she said to herself as she looked under the cabinet. “Ah, here it is! Darn! Empty!” She glanced down at her ring to break the bad news that it might have to skip today’s bath when it hit her. “Clorox! I bet Clorox will work. I’ve got plenty of that!” She ran to her laundry room, grabbed the Clorox, poured it in the ultrasonic cleaner, dropped in her ring, placed the ultrasonic cleaner back onto the bay window and ran upstairs to get ready.

“Mrs. Williams,” called out Maria, the housekeeper. “Mrs. Lawrence is here to take you to bridge.”

“Now Maria,” Margaret said, “lock up and set the alarm. After that string of robberies in the neighborhood, I want you to be safe.” Maria locked the front door behind Margaret and pressed the four-digit code to the alarm of the house.

As Margaret sat down to shuffle the cards to start the game, she realized she had forgotten to retrieve her ring from the ultrasonic cleaner. “A few hours of extra cleaning will do the ring some good,” she thought. “Anyway the house is secure and Maria is there for safe keeping.”

The ninety-second warning signal for the alarm beeped when Margaret opened the front door to her home. Within seconds the alarm was disabled and Margaret headed straight to her kitchen. She could still hear the ultrasonic cleaner running when she pulled it down, only to discover her ring was gone! “Maria, has anyone besides yourself been in this house today?” she asked.

“No, Mrs. Williams, nobody, just me.”

“Then where’s my ring?”

“I don’t know.” At that moment, Margaret’s husband Roy was returning from his day at the golf course and was soaking wet with perspiration; it had been almost one hundred and two degrees that day.

“What’s all the commotion Marg?” What happened?

Story 1 Answer

There could be a lot of finger pointing here. For starters, the jeweler should have looked at the ring under a microscope and determined its authenticity before Sarah had left the store. Sarah should have insisted on a plotting (a mapping of what the interior of the stone looks like under magnification) of the stone to make sure she would get the same thing back. Both Sarah and the jeweler did a poor job of protecting themselves. Also, what about all the ring sizing that Gramps had done? Was it possible some other jeweler along the way had done the switching? Things aren’t always what they seem. There was a very interesting clue that was right under Sarah’s nose from the beginning. It was the date on the last appraisal: November 14, 1929. During the previous two weeks, the stock market had crashed, losing over thirty billion dollars in its assets. Was it a coincidence that as the United States entered the Great Depression, Gramps suddenly decided to get the ring appraised? No, it was no coincidence. During the court case against the jeweler, Sarah found a pawn ticket dated November 14, 1929 in her grandfather’s chest! Apparently times had gotten tough and he had to sell Gram’s diamond. I’m sure he always planned to switch it back before anyone found out but he died before he had a chance. Jeweler innocent.

Story 2 Answer

In this little mystery, you've got three potential suspects, maybe more. For starters, the jeweler could have certainly sold a fake versus the real thing, but if he were smart he would have plotted the diamond to prove he had sold the real McCoy. Also, if the customer had immediately appraised the diamond after the purchase, he would have known instantly if the jeweler was up to no good. Also, what happened to the ring while his good little girlfriend had it? Could she have been devilish enough to have made the switch herself? Or is the culprit Mike himself? Finally, let's not forget the ring was in an insecure sock drawer that many people had access to. In the end, the jeweler had made the mistake of not plotting the stone to prove or disprove the jeweler's innocence or guilt and the case went off to court.

Jeweler sued by customer, customer countersued by the jeweler. It wasn't until almost a year later and thousands of dollars in legal fees that old Mary Katherine confessed under threat of a subpoena she had actually switched out the stone. I repeat again, things aren't always what they seem. All the litigation would have been avoided if the jeweler and the client had done a better job of protecting their own self-interests.

Story 3 Answer

Believe it or not, this one isn't as easy as it might seem. Sure the jeweler himself may have switched the stone when he sold it (not likely; if a jeweler gets even a hint of scandal of selling fakes, he's out of business), or we might quickly blame the appraiser for switching the stone when he had it hidden in his cleaning cloth. Or how tough would it be to accuse the customer of setting the whole thing up himself? These

should have been your clues; for starters the customer purchased the diamond quickly, no negotiating, and no asking for documentation. Allen was also obsessed with talking about a 2.11ct diamond, once when buying the 2.20, and again a Freudian slip with the appraiser. During the sale, Allen didn't want to discuss either the setting or the girlfriend, which should have made the jeweler nervous rather than anxious to sell. Everything here, from Allen flirting with the first sales girl to his reaction at the appraiser points to Allen being up to no good. How else could his final statement to the appraiser be, "I know it's a diamond, I just want you to prove it's not the right quality?"

Here's what really happened. Allen had bought, using cash, a 2.11ct from another jeweler, a very poor quality but real diamond valued at \$4,000. His plan was to buy a good one for \$19,000, get the poor one appraised representing it as the one he had just bought, then act surprised when it wasn't the SI1, H 2.20 he had paid for. Then he'd call his credit card company, act shocked that the diamond was misrepresented, stop payment, and leave the poor honest jeweler with a 2.11ct piece of junk. A perfect plan but with one hitch. When he took the 2.11 to get appraised, he never thought the appraiser would switch it for a fake! In this instance two people had their hand in the cookie jar.

Story 4 Answer

Surprisingly or not, the maid was arrested for the theft of Mrs. Williams's ring. However, in the end she would be proven innocent. The ring had disappeared of its own accord, and as it turned out, Mrs. Williams would be shown to be the unwitting accomplice.

Here's what happened: As we already know, Margaret kept her ultrasonic cleaner in a glass bay window. We also know that it had

been a very hot day. Combined with a Clorox solution, which should never be substituted for ammonia, all the elements were there. The sun through the bay window heated the Clorox, boiling the solution until the 18K yellow gold setting did the only thing it could do, and that was dissolve. When Margaret looked into the ultrasonic cleaner, her ring wasn't gone, it had just been destroyed. The only things that were left were her three diamonds that appeared transparent in the cleaning solution. Where Margaret became an accomplice to the disappearance of her own ring is when she poured the solution with her diamonds down the drain.

As unbelievable as this all sounds, it's all true. I was the expert that was brought in at trial to testify to the value of the ring. When I heard about the Clorox, I put two and two together and got the maid off. Oh, if you're wondering how I proved my theory, it was when the plumber came in and removed the elbow of the drain under the sink and found Mrs. Williams' three little sparklers!

In Conclusion

For practically two decades, I've done my utmost to be the best consumer advocate in the purchase of a diamond. I've told consumers about the tricks of the trade, fracture-filled diamonds, baking, and every dishonest thing a bad jeweler could do to take your money and leave you holding the bag. But with these handful of true stories, I wanted to show you how easily it is for the shoe to be on the other foot.

Every time a customer walks into a jewelry store, the jeweler is not only concerned with the hopes of making a sale but the fears his wish will come true and it winds up being the first step in a scam

against him! Even as we saw in the first story, an honest jeweler got pulled into court because he had his guard down while trying to do someone a favor by sizing a ring he never sold in the first place.

The lesson here is, “I do believe that in the heart of man is goodness,” to quote a great man and innovator in the retail industry, L.L. Bean. And we shouldn’t be too quick to judge and cast the first stone. Even on the darkest days, there’s always at least one light that shines in the distance, and it’s the light of truth. Sometimes difficult to find, sometimes difficult to see, but it’s always there. All we have to do is look for it. And please remember, things aren’t always what they seem.

Common Myths about Diamonds

1. A diamond is forever

A diamond will only be forever if you take care of it. If you don't, a diamond can chip, fracture, or break. Even a diamond should come with a care instruction tag.

2. Diamonds are very rare

Nope! There is more of a man-made shortage than a natural shortage. The distribution of the number of diamonds put on the market each year is highly regulated. There are really enough diamonds to give each man, woman, and child in the United States a whole cupful.

3. Women are more size-conscious than quality-conscious

This one is almost true, but not quite. Even though most women believe that bigger is better, there are still quite a few women out there that will sacrifice size to get a better quality diamond.

4. A diamond is the most expensive gemstone

The truth is there are quite a few more expensive gemstones on the market. For example, a top-quality ruby can be worth over thirty thousand dollars a carat.

5. A large diamond is always worth more than a small diamond

Size is only one criterion by which a diamond can be judged. A small, high-clarity, high-color diamond can cost more than a large, low-clarity, low-color diamond.

6. After a diamond has been cut, little diamonds can be cut from the shavings

Usually there are no shavings, only dust. Most diamonds are ground down and there aren't any little pieces left over to cut anything else. Most people believe a diamond is whittled, not ground down. This is another myth.

7. A fancy-shaped diamond is more difficult to cut than a round diamond

All diamonds, to a certain degree, are difficult to cut, and some very large diamonds take more time and effort to cut than smaller diamonds do. But one diamond is not harder to cut than another just because of the shape.

8. Diamonds are a good investment

Webster's dictionary defines investment as "an outlay of money for income or profit." Since most people purchase diamonds to be worn and not to be resold, diamonds are not a good investment. Only through proper education and training could diamonds become a good investment. For the average Joe, I would recommend buying a diamond for the enjoyment and prestige it brings and don't be too concerned about making a buck.

9. A diamond should be bought strictly on its visual appearance: “If it looks good, buy it”

A lot of people believe “what I can’t see can’t hurt me!” Well, we all know that blind ignorance will only lead to disaster. Practically any diamond looks good in a jewelry store. The jeweler spends quite a bit on spotlights to make any quality diamond sparkle. But unless you plan on carrying a spotlight with you everywhere you go, you’d better check the four Cs or you might purchase a diamond that only looks good in a jewelry store and is lifeless everywhere else.

10. An emerald-cut diamond is the most expensive shape diamond

I don’t know why some people believe this. I constantly have clients tell me that they like emerald cut diamonds but know that they are the most expensive and can’t afford them. This is crazy! The emerald cut diamond is the *least* expensive of all the shapes. You see, it is the shape that is most like the natural shape of the rough, so there is a little bit less waste during the cutting process. If you like emerald cut diamonds, enjoy them, don’t avoid them; they are not any more expensive.

11. Diamonds are a bad investment

Diamonds may not be a good investment for the average person, but they certainly aren’t a bad investment. If a diamond is purchased at the right price, it will most certainly hold its value. Since the diamond crash of 1979, when D flawless diamonds fell in value from \$75,000 to under \$15,000, the price of diamonds has been increasing constantly.

12. No diamond is perfect

The definition of a perfect diamond would be a diamond free from inclusions and blemishes when viewed under 10X loupe (flawless), with no trace of color (D-color), and perfectly proportioned. Even though they are rare, there are such diamonds around.

13. It is difficult to tell the difference between a diamond and a cubic zirconia

Any good jeweler can tell the difference immediately. A cubic zirconia has more of a plastic look. There seems to be a light-blue cast throughout the entire stone. One sure way to determine the difference is by weighing the cubic zirconia. A cubic zirconia will weigh 55 percent more!

14. Diamonds are expensive

Some are, some aren't. It depends on their quality. Believe it or not, it's possible to get a one-carat diamond for as low as three hundred dollars if it's junky enough.

15. Diamonds are a girl's best friend

This one would have stumped me, too. I've always believed that all women like diamonds. It wasn't until recently that I learned there are some women out there that very much dislike diamonds and think they are a waste of money. I guess for them maybe a dog is their best friend.

16. A diamond with a lab grading report must be a good diamond

I can't even count how many jewelry stores I've gone in to and asked a jewelry salesperson if a particular diamond is good, only to hear,

“Sir, it must be good. It has been graded by Laboratory XYZ! And only the best diamonds in the world can come with this lab grading report!” Give me a break; any lab anywhere in the world will grade any diamond sent to them. Purebred or rabid dog, it doesn’t make a difference to them. The labs just want their fee.

17. An ideal cut diamond is ideal

In the 1960s jewelers would toss around the term “perfect” like they were passing out candy. “Sir, this is a perfect diamond,” “Ma’am, this is a perfectly fine diamond,” or “Heck, this diamond is just plain perfect!” The FTC eventually stepped in and said the term was just plain misleading. Jewelers argued that they should have the right to call anything perfect that in their opinion was perfect to them.

They were overruled; the FTC passed a guideline that said only a D flawless well-cut diamond could brandish the label of “Perfect.” The jewelers changed their pitch. Forty years later we are hearing the same thing. “Sir, this is an ideal cut diamond,” “Ma’am, this is an ideally fine diamond,” and finally, “This diamond is exactly cut; it is ideal!” Only one problem, FTC hasn’t stepped in yet. And until they do there will be over one hundred interpretations of ideal. But don’t be fooled, it’s easy to identify the scammers. They are the ones that insist that total depths can exceed 61 percent for rounds and non-rectangular fancies. They are the ones that insist on tiny tables for rounds and giant tables for emerald cuts. They insist that these measurements are ideal, and I guess in some respects they are ideal in increasing the weight of the diamond so their bottom line goes up. Want ideal? Be more specific and ask what class of cut a diamond is. In that arena there are hard and fast rules.

18. Great symmetry equals great proportions

For the most part, symmetry refers to the arrangement of the facets on the diamond, length to width ratios, out of roundness, and inline cutlets. Symmetry, excellent or otherwise, does not infer great proportions or the relationship between crown and pavilion angles. If any salesman tries to imply that just because the symmetry on the lab grading report is good or better means it must be a well-proportioned stone, it's time to leave.

19. Only diamonds can cut glass

There are a number of things that can cut glass. From synthetic diamonds to glass itself. Anyone who suggests that the best way to prove a diamond is real is to rub it against glass should have their head examined. This wives' tale should stay just that.

20. A jeweler will tend to mount his best diamonds in ready to go settings

On the contrary, a jeweler will always premount his worst diamonds in settings. That way he can hide any chips under prongs and make it impossible for you to get an exact color and weight measurement. Always remember a jeweler's best diamonds are in his safe, and the only way to see them is to ask for them to be brought out.

*Exposé**The Rock Talks*

He's been described as a girl's best friend, socialite, movie star, tough guy, and he's been the subject of over six hundred books. He has been known to hang around royalty from Queen Elizabeth to as far back as Henry VIII. His list of friends past and present are the who's who of not only Hollywood (Marilyn Monroe, Elizabeth Taylor, Julia Roberts, to name a few) but of professional athletes like Ruth, DiMaggio, Jeter, and Chamberlain. His movie credits include The Pink Panther, Gentlemen Prefer Blondes, Diamonds are Forever, Marathon Man, and hundreds more. He's been described as the silent type, but insiders have told this reporter that he loves to talk to women. We've finally been able to corral Mr. Diamond in this once-in-a-lifetime exclusive interview where he talks with such clarity and honesty, this reporter had to dry his eyes more than once.

Reporter: *Mr. Diamond thank you for taking time from your busy schedule to*

talk to me today.

Mr. Diamond: *Please call me “Ice.” My friends call me Ice.*

Reporter: *Thank you, Ice it is. Tell me, what was your first big break?*

Mr. Diamond: *Break is probably a poor choice of words, but I dig where you’re coming from. But nevertheless let’s call them opportunities. Without question there isn’t a success story that would happen without people who stuck their neck out for you. Friends that support and believe in you, like Agnes, Charles VIII, Mary of Burgundy, the Duke of Burgundy, Oppenheimer, DeBeers, Gerald, and so many others, too many to name in this interview.*

Reporter: *Ice, I’m familiar with a few of the people and organizations you mentioned. Perhaps you could give our listeners a rundown of how these select few deserve a mention.*

Mr. Diamond: *I’d be glad to. Agnes Sorel was the first person ever to believe in me. In the fifteenth century when she hung around Charles VIII she became*

the first woman to wear diamonds in public. I had been a shut-in until then.

I wasn't very good with people, a little shy.

Reporter: *Shy? You? I don't believe it!*

Mr. Diamond: *Yes, it's true. Agnes believed in me enough to push me out of my nest and into the public's eye.*

Reporter: *What about Mary of Burgundy, daughter of Charles the Bold, Duke of Burgundy. What's your connection here?*

Mr. Diamond: *Agnes taught me to believe in myself, face the world, and not be afraid to be me. Mary, oh sweet Mary, taught me about love. Nothing in this world matters if you have love. She was the first person to wear a diamond engagement ring.*

Reporter: *And Oppenheimer, DeBeers, and Gerald. I'm assuming you're referring to Gerald M. Lauck, past president of N.W. Ayer Advertising agency in New York?*

Mr. Diamond: *Of course I am, but let's start with Oppenheimer, chairman and CEO of DeBeers. Oppie, even though not my first agent, was my best. He represented me like my father. He knows everybody and put me in the right circles. It was through Oppie's effort in 1939 that led to the introduction to Gerald Lauck. It was Oppie and G that hatched the plan to introduce me to movie stars and literally put me in the movies.*

Reporter: *Were you nervous?*

Mr. Diamond: *Maybe a little, but when Marilyn Monroe sang, "Diamonds are a Girl's Best Friend," any butterflies I had went away.*

Reporter: *How do you account for the fact that in the 1920s less than 10 percent of women in the U.S. wore diamonds compared to the almost 70 percent today?*

Mr. Diamond: *Because they didn't know me then, not the real me. Before Oppie and G started their publicity campaign people thought I was aloof. I*

guess I deserved that since I only hung out with royalty, but I wanted the world to know that there was something more to me. That I had something to offer everybody.

Reporter: *And what is that?*

Mr. Diamond: *If something grown from carbon can make something of himself then the dream is alive in all of us. Nothing is impossible. We are all capable of grand things. If a rock can make it, so can you.*

Reporter: *Nice message.*

After the Purchase

Once you own the ring, you have to take care of it as you would take care of any major investment.

Insurance

As soon as you get home with the ring, take steps to get it insured. If you don't already have an insurance company, start shopping for one. Many insurance companies will only insure personal jewelry if you have a homeowner's or renter's policy with them. If you have to shop for an insurance company, use this questionnaire.

1. Name of company: _____

2. Will they insure jewelry? Yes ☐ No ☐

3. If yes, under what conditions will they insure jewelry?

4. What is the cost of the insurance, per year, per \$100 of value?

5. Do they need an appraisal, or will the sales receipt do?

6. Do they need a photograph of the jewelry? _____
7. Does the policy cover loss, theft and damage? _____
8. Does the policy cover replacement value at the time of the loss?

9. Following a loss, does the insurance company pay the insured amount, or replace the lost article with a new one? _____

DIRTY DIAMONDS

A dirty diamond knows no class.

Regardless of what anybody tells you, the maximum light return for any diamond in any shape is 91% (Give or take .1). Class I; A.G.S. 000; American Ideal; Kaplan; 8-Star; Hearts on Fire; or High Definition; 91% is all you get. In the end mathematician Tolkowsky's numbers for rounds hold up and mathematician R.W. Ditchburn, PhD, proved in his monumental book "Light" that the same concepts could be applied to any shape diamond. In simplistic terms you need three things to appreciate the sparkle of a diamond:

1. An observer
2. A diamond
3. A light source

Remove any one and you're left pondering does a tree that falls in the forest make a sound if there is no one there to hear it? Or better said, how much beauty can a diamond possess in the dark or how well received can a diamond be if never viewed?

I've spent the better part of my adult life helping people critique, evaluate, and eventually choose the best diamond for them. With each passing day, the diamond buying public is becoming more savvy. However, many of you are buying magnificent diamonds, then allowing them to gather so much soot, dirt, oil, hand lotion, soap, hair spray, and grease that any benefit from buying a well-proportioned, white, eye-clean, gigantic rock is negated. Please remember this fact: A dirty diamond knows no class! Repeat it again, A DIRTY DIAMOND KNOWS NO CLASS. It doesn't make a difference whether you have a well-proportioned, Class I versus a poorly proportioned Class 4 if you don't keep it clean. If you as the wearer of a new diamond aren't prepared to clean your diamond everyday, day in and day out, religiously, then throw my book away or anybody else's book that you have read on diamonds! It won't make one bit of difference what clarity or color grade you have if you don't keep it clean! And I'm not talking once a week clean or clean it when it gets dirty clean. I'm talking EVERYDAY clean! Taking 60 seconds of your day to drop your ring in an ultrasonic cleaner. If you're not willing to do that, you've flushed a lot of money away.

If you're a man reading this and you're about to plunk 6K down for a 1 carat diamond and you know your fiancée to be can't keep her own car clean much less a new diamond clean, then stop! Re-evaluate your purchase. When the only benefit of a good diamond is increased light return (when clean) then don't purchase a good quality diamond if the diamond can't be properly maintained. At the end of any given day, even the 91% diamonds will have only 67% light return due to the oil and dirt that accumulates from normal wear. Within a week the diamond will look like a tropical depression has moved in, hazy and foggy with poor visibility. For off-makes (poorly proportioned stones) the effect is more rapid; within two days lifeless city! But in

the end if neither the cheap half-price Class 4 or the expensive sparkly dynamo is cleaned, they will look the same!

I tell my clients everyday, a great diamond is like a battery operated toy at Christmas. It's fun and exciting as long as you've got working batteries in the toy. Allowing a diamond to get dirty is like removing the batteries from the toy. Please keep your diamonds clean and if not, trade them in for crummy ones and pocket the savings.

Remember: A dirty diamond knows no class.

Dos and Don'ts

- *Don't* let people touch your diamonds. People seem to have an overwhelming desire to touch a pretty ring. Politely tell them look but don't touch. Oil from their fingers will quickly dim the brilliance of the stone, and the oil makes it easier for airborne dirt to stick to the diamond.
- *Do* clean the ring *daily*! Diamonds just don't look good when they're dirty.
- *Don't* wear the ring in the bath or shower. Soap scum gets trapped under the prongs and can make the diamond look dull. Also, it's too easy to whack the ring against the tub or shower stall, possibly damaging the ring or loosening the diamond.
- *Don't* be tempted by jewelry store window offers of "Free Jewelry Cleaning." Never leave your jewelry with a jeweler you don't know and trust. Unfortunately, there are jewelers who would use this opportunity to switch your diamond for a fake. Or they might not know what they're doing and damage your jewelry accidentally while cleaning it.

Some Final Suggestions

1. Don't make an engagement ring a birthday or Christmas gift. First, if on the off chance she were to break up with you and the engagement ring was a birthday or Christmas gift, then she would be able to keep the ring. Second, the giving of an engagement ring should be on a special day all by itself—for example, on the one year anniversary of your first date. The more thought and preparation you put into this, the more it will be appreciated.

2. Once you've purchased the ring, as tempting as it might be to want to show off your purchase to your friends and family, don't. The showing off is for your girlfriend to do once she gets the ring. What you don't want happening is for everyone to say, "Oh, yes, that's pretty; we've seen it before!" One of the most exciting parts about receiving an engagement ring is showing it off and watching your friends and family's reaction to seeing it for the first time. Don't take that away from her. Once you purchase the diamond, don't show it to anyone. That will be her job.

3. If you can't follow rule two and break down and show the ring to someone and it happens to be a lady, don't—I mean don't—let her try it on. Some women are very superstitious about being the first and sometimes the only one to wear the ring. You don't want your wife-to-be to run into this person and have her say, "Oh, yes, I saw it last week and tried it on and told your fiancée that if it looks good on me it will look good on you!" You're a dead man if this happens, and all the money you spent on the ring will go down the drain!

Cleaning Your Diamond

And Other Jewels

You can keep your jewelry sparkling clean at home with a little time and effort, but you should also take your jewelry to your jeweler twice a year for a professional cleaning and to have the stones checked to make sure the setting is tight.

The easiest method of home cleaning is ultrasonic. An ultrasonic cleaner sends sonic waves through a cleaning solution to literally vibrate the dirt off your jewelry. Every morning you can place your jewelry into the cleaner and in ten minutes the jewelry is ready to wear. You can buy an ultrasonic cleaner for under \$50 in specialty stores. If you have a hard time finding one, write to me c/o Sourcebooks and I'll have one shipped to you.

Jewelry Cleaning Discovery

Ronald Lockhart from Downingtown, Pennsylvania, has invented an ingenious product called the "Powerescent Tablet." Here's how it works: you place the jewelry to be cleaned in a bowl or glass, add hot water, then drop in the Alka-Seltzer-like tablet. Ten minutes later, ba-boom. Jewelry is clean! I really love this product. Since it is not an ammonia-based solution, it's safe and easy to use on all jewelry including pearls and emeralds. It's also great for travel. An ultrasonic cleaner can be difficult to take on the road, but these tablets are a piece of cake!

Not all ultrasonic cleaners are safe for all gemstones. Read the directions to be sure yours is safe for your jewelry.

You can also clean your jewelry by hand. Purchase a plastic container with a lid (24 oz.), a bottle of Parson's Sudsy Ammonia, and a medium toothbrush. Fill the container with two parts water, one part ammonia. (Keep the lid on this solution—the fumes are pretty strong!) Each day, place the jewelry in this solution and let it soak for at least ten minutes. Take the jewelry out of the solution and scrub it with the toothbrush, making sure you scrub *underneath* as well as on top. Rinse with warm water, shake off the excess water, then dry with a lint-free cloth.

Jewelry Care Guide

<i>Gemstone</i>	<i>Recommended</i>	<i>What to Avoid</i>
Amethyst	Any ultrasonic; bristle brush*	Nothing
Aquamarine	Some ultrasonics**; bristle brush	Some ultrasonics
Citrine	Any ultrasonic; bristle brush	Nothing
Diamond	Any ultrasonic; bristle brush	Sharp blows
Emerald	Warm soapy water; bristle brush	Jewelry cleaner; household chemicals; treated cloth; sharp blows; extreme temperature changes; some ultrasonics

<i>Gemstone</i>	<i>Recommended</i>	<i>What to Avoid</i>
Garnet	Some ultrasonics; bristle brush	Jewelry cleaner; household chemicals; treated cloth; sharp blows; extreme temperature changes; some ultrasonics
Onyx	Any ultrasonic; bristle brush	Sharp blows
Peridot	Some ultrasonics; bristle brush	Jewelry cleaner; household chemicals; treated cloth; sharp blows; extreme temperature changes; some ultrasonics
Ruby	Any ultrasonic; bristle brush	Nothing
Sapphire	Any ultrasonic; bristle brush	Nothing
Tanzanite	Some ultrasonics; bristle brush	Jewelry cleaner; household chemicals; treated cloth; sharp blows; extreme temperature changes; some ultrasonics
Topaz	Some ultrasonics; bristle brush	Jewelry cleaner; household chemicals; treated cloth; sharp blows; extreme temperature changes; some ultrasonics
Tourmaline	Some ultrasonics; bristle brush	Some ultrasonics

<i>Gemstone</i>	<i>Recommended</i>	<i>What to Avoid</i>
Tsavorite	Some ultrasonics; bristle brush	Jewelry cleaner; household chemicals; treated cloth; sharp blows; extreme temperature changes; some ultrasonics
Zircon	Some ultrasonics; bristle brush	Sharp blows; some ultrasonics
24K Gold	Any ultrasonic	Treated cloth; sharp blows; scratching

* I recommend a medium toothbrush.

** Some ultrasonic cleaners may damage certain stones. Check the directions that come with your cleaner.

“Will You Marry Me?”

Those four little words form what may well be the most important question you’ll ever ask. The rest of your life flows from that question. It joins two families and begins a new family, and determines everything from what you’ll eat for dinner, to where you’ll spend your holidays, to what your children will be like.

In other words, this question is a BIG DEAL! Too big to treat casually. You don’t want to just pull out the ring box while you’re watching TV and say, “Oh, yeah, I thought you might like to, uh, y’know...would you?”

Make it a moment you’ll both remember forever!

She will remember it, every tiny detail of it—the weather, what she was wearing, what you were wearing, the time, the place, *everything*. She’ll remember who she told first, and what they said, and how her parents reacted, and how your parents reacted—everything. So take the time and make the effort to plan it, and make the details come out right. Why spend a lot of time and money getting the perfect diamond only to have the Big Moment turn out to be a flop? The diamond is just one part of the Perfect Proposal. It takes thought, planning, loving attention to detail, and occasionally teamwork to create the kind of fireworks that will leave a lasting glow on your lives together.

Planning the Perfect Proposal: A Worksheet

Attire	Will you wear a tux? Maybe a gorilla suit to say that you're not monkeying around? Make a statement with your wardrobe.
Budget	Do you rent a plane or a limo? Take her to the most romantic restaurant? Feed her champagne and caviar? Determine what you can afford to spend on a once-in-a-lifetime occasion.
Location	<i>Very important!</i> The observation deck of the tallest building in town? A hilltop under the stars? On the deck of a sailboat? On a moonlit beach? Don't forget, it can be a "combo": first a restaurant, then the beach, for example.
Day & Time	Pick a day that's special to you, such as the anniversary of your first date. Or evening, when a full moon rises over the lake.
Food	Taking her to the first restaurant you went to together can be fun. Cooking her a meal is a sure winner!
Flowers	Absolutely! Whether it's great bouquets of flowers or a single red rose, flowers are a must for romantic moments.

- Candy** Find out what her favorite is, and present it as a treasure, wrapped in gold paper and tied with a bow, even if it's a Snickers bar.
- Accessories** Take along a cellular phone so she can call her mother or her sister. She'll be bursting to tell everyone! If you can, set up a video camera to record the moment.
- Scrapbook** Write down all the details of the moment—details that you (and your children) will savor in years to come. Include newspaper headlines from the day you got engaged.

Engagement Facts

- *Approximately 2,400,000 couples wed in the U.S. each year.*
- *One-third of all couples that get engaged do so during the last quarter of the year, October through December.*
- *The average age of a man getting engaged is 26.5 years; the woman's average engagement age is 24.4.*
- *The average price of a diamond engagement ring is \$1,597. If the engagement ring is purchased as part of a bridal set, the average price is \$880.*

Five Proposal Styles

Over the years, I've come across five basic styles of proposals. Which best describes your situation?

The Total Surprise

She doesn't know it's coming—not a clue, not a hint. You've never even discussed it. This is gutsy! It reminds me of the school dances of my youth, where all the girls were on one side of the gym and all the boys stood on the other. You'd finally get up the nerve to make that long walk across the floor to ask a girl to dance. If she said, "No," and they often did, the walk back across the floor was very, very long.

I figure fewer than 10 percent of all proposals are in this category. It's like doing a high-wire act without a net. Most guys drop hints first, or get hints from her that indicate which way the wind is blowing. But there are the big risk-takers, the guys who live on the edge, who just go out and buy the ring and make the dinner reservations and GO FOR IT! Hurrah for them, but—I *have to tell you I don't recommend popping the question "cold."*

She Knows

You've talked about getting married; you know you both want to get married and spend your lives together; you've talked about having kids; you've pledged your undying love. The only thing she *doesn't* know is when it's coming.

Men, the time between when she knows you'll give her a ring and the moment when you actually give it to her can be one of the greatest times of your life. Have some fun! Keep her guessing, plan

the moment well, and when she least expects it, spring your wonderful surprise.

Let's Elope!

“Will you marry me? Right now? Tonight?”

Wow! This one makes no sense to me unless:

- The Early Pregnancy Test came up positive
- *America's Most Wanted* is profiling you tonight
- It's her fifth marriage, your seventh
- You don't want to give her a chance to change her mind
- World War III has broken out and you've been called up
- You love her so much you just can't wait

It's Now or Never

Way to go—you've waited so long she's resorting to threats: “We're getting married or I'll find someone who'll appreciate me!” Fish or cut bait, guy. If you love her, get off the fence and show her you can't live without her. If it's come to the threatening stage, you have to be extra, extra romantic to make up for her long wait. Use my proposal planning guide on page 240 and make it a great one!

Ringless

You and your True Love are in each other's arms, caught up in a rising tide of passion. The dialogue goes like this:

“Honey, I love you!”

“I love you, too, sweetheart.”

(Kiss kiss smooch kiss)

“I can't live without you!”

“Oh, baby, you're the only one I'll ever love!”

(Smooch kiss smooch kiss)

“Will you marry me?”

“Yes! Oh, yes yes yes!”

But does Romeo have a ring in his pocket? Nooooooooo. So where do we go from here?

Don't think this lets you out of getting her a ring! Get that thought out of your head right now!

A lot of Ringless Proposals lead to a couple shopping together for the ring. Or, you could revert to the “She Knows” proposal and keep her guessing. *Either way, the Ringless Proposal shouldn't be ringless for long.*

Soul Mate or Cell Mate?

Miss Right

She looks like an angel, she walks like an angel, she talks like an angel, but she's a devil in disguise! Oh yes, she is a devil in disguise! If these words sound familiar, it's because they're from an old Elvis Presley song, but they still ring true today. How can a fella know when he's got a catch or needs to throw her back? Sometimes it's difficult to tell, but the rejects will always tip their hand before the dealing is done. Let me share a few of my favorite stories about when some women dropped their guard to reveal their true intentions.

Story I: Woody Allen & the Playboy Bunny

“Mr. Cuellar, your next clients are here. Shall I bring them back?” asked my assistant.

“Bring away,” I replied, as I quickly made an attempt to clean up my perennially messy desk. When I looked up, I saw one of the most striking, intriguing couples I had ever seen. She was a bombshell, a Marilyn Monroe type with an hourglass figure, tight black leather pants, and a purple tube top that defied gravity. He, on the other hand, was ten years her senior and about five feet, six inches tall with a comb-over and Woody Allen glasses. He probably weighed about ninety-eight pounds dripping wet and was wearing a short-sleeved baby-blue shirt with a pocket protector and charcoal gray, shiny polyester pants hiked up so high that they were looking for a flood. She was attached to his arm like an extra appendage and kept repeating, “Oh baby, oh baby, I love you, I love you so much.”

As I asked them to be seated, I couldn’t stop wondering what this guy’s secret was. Genius? Wealth? Was he a lover extraordinaire? Who cares! This looked like the real thing. She hung on his every word and laughed at every corny joke. I was impressed. Love is blind! It conquers all boundaries. Good for Woody! Good for all men who aren’t tall enough, buff enough, or handsome enough! This was a victory for geeks and freaks everywhere. Until...

“Mr. Cuellar,” he said.

“Call me Fred.”

“Can you point me to the restroom?”

“Sure. Go out of my office and take your second left.”

"I'll be right back, honey!"

"Hurry back, love muffin; I'll be here," she replied.

As I returned to my seat after letting my new hero out, Marilyn's demeanor changed instantly. "So how long you been in this diamond biz?"

"Most of my life," I replied.

"Must be raking it in, huh?"

"I do okay," I replied.

"Look, I can break free from the doofus in a heartbeat. Let's hook up."

"What? You're here getting an engagement ring. What the hell are you talking about?"

"Ah, I'm just here getting the ring, then I'm splittin'!"

"Mr. Cuellar, can I let your client back in?" Lesa rang in on the intercom. Within seconds, the couple was reunited, and the game began again.

"Oh baby, you was gone so long! You know better than to leave honey bunny so long," she said as she gave me a wink and a smile.

How your woman acts when she's not around you is probably more important than how she does when she's with you. Always look at both sides of the coin.

Story II: Big Rock or I Walk

When I returned from lunch, my next clients were already seated in my office waiting for me. "Hi guys, how's everything going? I'm Fred Cuellar."

"I'm looking for a three-carat, round, VVS1, D diamond and not a bit less," she snapped back.

"Well," I said. "The lady knows her diamonds! How does that sound to you, sir?"

"It doesn't make a difference to him. He's just here to write the check!"

"Sounds like the rough part," I replied. He smiled; she didn't.

"Well, I guess we better get down to it. Let's pull out some diamonds." I reached into my drawer, pulled out a lovely two-carat diamond, placed it in a mounting and handed it over. "Here you go, a beautiful three-carat, round, VVS1, D diamond, just like the lady ordered!"

She smiled, but it would be the last time. "You see, now that's a rock. That's what I'm talking about!" she said.

"Really?" I asked. "Do you think you could be happy with that?"

"Oh, yes," she replied. "It fits my hand like a glove."

"Well, that's wonderful, because you'll be glad to know it's really a two-carat, not a three-carat, and that should save you over \$10,000!"

Again, he smiled, she didn't. "What!" she bellowed. "You said it was a three-carat!"

"I lied. I just wanted to see if you could tell the difference and since you can't, you might as well save the money."

"Look, I don't know what you're up to, but either I get a three-carat, or I walk."

It was probably wrong of me to stick my nose where it didn't belong. Maybe I should have pulled out a three-carat from the get-go and let this couple be on their way. But she angered me. Since I had spoken with the man on the phone previously, I knew going in that this wasn't a man of great wealth. He was thirty-nine, never married before, and was going to have to get a loan to purchase the ring. So when she started spouting demands, I guess I lost my cool. What's the lesson here? Love doesn't come with a price tag.

Story III: A Class Act

"Miss Ward is on the phone," chimed my assistant.

"Any idea who she is?" I asked.

"Says her fiancé bought a diamond from you and she would like to talk to you."

"Put her through...Fred Cuellar here!"

"Hi, Mr. Cuellar. I...I...don't know where to start," Miss Ward said, and began to cry.

"Calm down, calm down. Whatever the problem is, I'm sure we can fix it. Just start at the beginning."

"Well, you see, last night my boyfriend proposed to me and it was so wonderful. Dinner, dancing, and your beautiful ring!"

"Sounds pretty good so far. What's the problem?" I said.

"He can't afford it. I know he can't. He's between jobs and he just went overboard."

"Well," I said, "have you told this to him?"

"Oh, no. He's so proud of my diamond; how he researched it, shopped around—it would just crush him!"

"Well, what can I do?"

"I'd like to give you some money, then have you call him and tell him you overcharged him and need to return some of his money. You see," she said, "he has a job interview coming up and he needs a new suit. With the money he gets back, he can get the suit and hopefully get the job. The diamond is pretty, but I have to take care of my man."

The good ones always pick you up when you fall; the great ones don't let you fall at all.

Mr. Right

Tall, dark, and handsome? Knight in shining armor? Or is the dude a dud? Ladies, now it's your turn. For every woman playing games,

there are probably ten men who have mastered the art of deception. Here are my stories.

Story I: The List

One late Friday afternoon I sat down with a man I affectionately call the List Maker. Not really different from most of the anal retentive men you've ever met, with the exception that this man had gone too far. His life had become a list—a list of pros and cons, check and balances, pluses and minuses. Every action had been carefully scripted according to a plan that must have been meticulously thought out over and over.

“Mr. Cuellar, it appears it's time for me to get married, so I'm going to need a diamond.”

“Congratulations. Who's the lucky lady?”

“Don't have one,” he replied, “but I will.”

“Wait a minute. Don't you have this backwards—first you find the girl, then you get the diamond?”

“Nope, the girl will be the easy part. There are plenty of women looking to be a homemaker. But to get her, I'm going to need a diamond.”

“Do you mind if I ask you a question?”

“Shoot!” he said.

"Where does love fall into all of this?"

"Haven't you heard?" he replied.

"Heard what?" I said.

"Only fools fall in love! Marriage is a partnership, a legal agreement to share responsibilities. You know; two heads are better than one. Love is nothing more than a fancy word for convenience."

Don't want to be lonely? Get a pet. Need a homemaker? Hire a maid. Love is not convenience. Love is magic.

Story II: What She Doesn't Know Won't Hurt Her

"Good morning. What can I do for you two today?"

"Well, my name is Max and this is my fiancée. We're getting married at the end of the year and whatever kind of diamond my lady wants, she gets."

"What size would you like to start with?" I asked.

"We want a big one because the best deserves the best. Let's try five carats."

"Oh, honey!" she exclaimed. "I don't need a big diamond! In fact, any size will do."

"Nope," he said. "The best deserves the best! Price is no object."

Within thirty minutes, they had chosen a lovely six-carat platinum and diamond ring for \$82,000. He pulled out his platinum American Express card for the deposit and they were on their way. I don't think I had ever seen a smile as wide as hers was when she left. About an hour later came the phone call.

"Fred?"

"Yes?"

"This is Max."

"Oh, hi, Max. Any questions that need answering that I didn't cover?"

"Nope, just one adjustment."

"What's that?" I said.

"Please exchange the diamonds out for cubic zirconias. What she doesn't know won't hurt her."

Not everything we see should be believed and not everything we believe can be seen. It's okay to trust people, but be sure to cut the deck.

Story III: The Shoe Box

Mr. Schwartz stood all of five feet, four inches tall. By the age of sixty-four he had been married forty-two years, had two daughters, and four grandchildren. He had been an industrial engineer (garbage collector) since he dropped out of high school to marry his childhood sweetheart who would soon be having their first

child. I still remember the first day I met him. I commented on his Members Only jacket that had been all the rage in the '70s. "Oh, this old thing? You'd be surprised what people throw away. Sylvia, that's my wife, just sewed up a torn pocket and bada bing, bada boom; good as new."

The second thing I noticed was an old tan shoe box under his arm. When he laid it down on my desk, I saw that the words "Rainbow's End" were scribbled on the top in pencil. "You're wondering what's inside, aren't ya, son?" he asked me.

"Maybe a little bit," I replied.

"Well, let me tell you. It's the vacation we never took, the fancy meals we passed up, and a lifetime of bottles and cans that these two hands dragged home. That there is the one-carat-diamond ring I told her she would get someday," he said, pointing to a ring in the case. "Go ahead—count it up and be quick about it. My wife's waited long enough for her diamond rainbow."

A new, good quality, one-carat diamond was going for over \$6,000 those days. I thought that this box must be filled with thousands of dollars—more than enough for Sylvia's dream diamond. But as I started counting the cash, there were more tens than twenties and more ones than fives. At the end of my count there was exactly \$2,231.55. He was short—there would be no one-carat diamond, not with what was in the box. Maybe in the late 1950s this would be more than enough for the diamond of their dreams, but not in today's market. The best they could get would be a half carat.

“Well, son, do I have enough? When can I pick up my one-carat-diamond ring?”

“Let’s see. \$2,231.55. That will just cover it. You can pick up the ring tomorrow.”

A good man keeps his promises even if it takes a lifetime; if you’re ever in the position to save a dream, do it.

Note: All the stories here are true with the exception of name changes.

CRACK THE CASE ON YOUR BOYFRIEND’S PROPOSAL PLANS

Top Ten Signs He’s About to Pop the Question

1. He’s cleaning his closet: If your boyfriend is finally tossing out that “private” box of mementos from former girlfriends, he is letting go of his past and is ready to focus on the future with you.
2. He’s sizing you up: Your favorite ring is missing and your best friend has been asking the size of your finger. Chances are, your boyfriend is doing some investigating before visiting the jeweler.
3. He’s cutting costs: Dates have gone from gourmet dining to drive-through dinners—if your boyfriend is suddenly a miser, he may be saving up for the special day.
4. He goes for the gold: You spot your boyfriend flashing a shiny new gold card—many men open credit cards with higher spending limits to make the expensive ring purchase and snag some frequent flyer miles in the process.
5. He’s on the “We” channel: If his conversations no longer start with “My” but with “Our,” he is definitely ready to move out of singlesville.

6. He's family oriented: Your boyfriend is enthusiastically organizing a get-together with both of your families. An anxious interest in “meeting the parents” is a true sign he's ready for the next step.
7. He's watching weddings: You attend a friend's wedding and are shocked at your boyfriend's commentary on the music, flowers, and food. Even more surprising—he encourages you to catch the bouquet!
8. He's letting go of “The Bachelor” inside: He's sold his scooter and canceled his weekly poker games—a mature lifestyle change means marriage is sounding more meaningful to him than ever before.
9. He's a man with a plan: Your socially laid-back guy suddenly insists on prior plans, and instead of waiting until Friday night to plan your weekend, he's making arrangements Tuesday or earlier...he may have a certain social “engagement” that he doesn't want you to miss.
10. He's your dad's new golf partner: If a close connection has developed between your dad and your boyfriend it's more than likely that they've had “the talk.”

For Men Only

Many a man in a fit of rage has blurted out, “What in the name of God does my woman want?!” “I give and I give and I give and she's still not happy!” I can relate. I've been trying to figure women out my whole adult life. Heck, even the better part of my adolescence was spent on the question. And it was always the minute I got close to the answer that I'd be sent blindly into a black hole of confusion. Women are a lot like a golf swing: just when you think you have mastered it, your next ball slices off the fairway. Women

by definition equal confusion or that which lacks explanation. So, hand in hand with the search for the meaning of life, I ventured out on this crusade to answer the one question that seems to defy logic. What do women want?

At the beginning of my search I had to accept the possibility that the question may not even have an answer. I mean certainly not all women think the same, so how in heaven can they all want the same thing? A single gal can't possibly have the same needs as a married gal. A career woman can't possibly relate to a homemaker. A teenager can't crave what a thirty-year-old might, or for that matter what a senior citizen desires. Women are different, so they must want different things. Right? Well, kind of yes, and kind of no. There are, if you look carefully, some common things all women want. How do I know? I asked them. Here are my results.

Women want it all or none of it. They want to be understood, but not typecast; they want to be happy, but allowed to be sad; they want companionship, but don't need someone to be happy; they want honesty, but seldom the truth; they want equality, while being placed on a pedestal; and most of all they want respect. Respect for who they are, where they've come from, and where they are going. Don't pity them or coddle them. Today's woman is a woman of diversity and contradictions. What she wants today is not what she will want tomorrow because she is setting new goals. Men can't figure women out because they are a masterpiece in progress. A woman doesn't grow old; she just gets better. Wonder why you can't put lightning in a bottle? Because it just moves too quickly. Just like women. Ask your average man what $2 + 2$ equals and he'll say 4 every time. Ask a woman and she'll say "looks like a little get-together." Women are

always one step ahead and always will be. If we are to keep up, there are a few key ideas we need to survive.

1) Listen. 2) Listen. 3) Listen. See a pattern here? Men do a lot of hearing and not enough listening. Want to stay out of trouble? Listen. Want to be the man of the house? Listen. Want to have a long, loving relationship? Listen. My God, listen till the blood drips from your ears; listen until you want to scream out a solution; listen until she has nothing left to say; and when she's done, shut up and listen some more. Most women are the caregivers, and if you want her to give, you'd better do some caring.

4) Hug her. Hug her in the morning; hug her before you leave for work; email her a hug; and hug her ten times when you get home. A woman is a fire. Want to keep her burning? You have to fan the flames. You do that with hugs.

5) Don't lie. Don't white lie, and don't sugar coat the truth. Tell it like it is. A woman can forgive a lot of things, but she won't put up with a snake in the grass liar. If you screw up, lose your Christmas bonus at the track, forget to take out the trash, stare at another woman—give it up. Take your licks and move on. I repeat, a woman can forgive anything, but she will not allow herself to be disrespected. Lie to a woman and you are dissing her. Tell the truth, you live to play another day.

6) Every woman I talked to listed structure in their top three needs. A woman wants stability, balance, and a sense of order. She wants someone she can rely on. You say you're going to be home at 6:00, you be home at 6:00. Running late, call. The hardest thing for us guys is to differentiate between support and total control. Creating

a foundation and stability doesn't mean trying to solve all the problems to the point that you disempower the one you love. Your love is not a crutch, but a bond. A bond where dependability is synonymous with trust.

7) Love them. Love them most of all. Let it all out. Let it all out every day, every minute of every second of every day. Be love. Crawl up inside of it and approach every problem with the question, what would love do now? If you do this, fear will never enter your life.

What do women want? They just want to be happy like us. They just have a different way of showing it. Learn their language; listen when you'd rather speak; hug instead of walk away; tell the truth until it hurts; be a man she can depend on; and love her like you love yourself. You'll no longer ask what women want, they'll be asking you what you want, and giving it to you.

When Is It Time to Get Married?

When I was a teenager growing up there was a rock group I listened to called Three Dog Night. For those of you who haven't heard of them they had over a dozen top ten hits like, "Joy to the World," "One," "Old Fashioned Love Song," "Black & White," and "Never Been To Spain." One of my favorites was "One." The opening lyrics are:

*One is the loneliest number that you'll ever do
Two can be as bad as one
It's the loneliest number since the number one*

I used to love that song and believed its message; nothing can be lonelier than being by yourself. Two can be as bad as one or being

with someone else can be as bad as being by yourself, but clearly there is no hope for being alone. So when I ask the question, “When is it time to get married?” it almost implies a rite of passage we must undertake if we are to be happy. I mean, who would ask the question, “When is it time to stay single?” Naw, that makes no sense since the song clearly states two is the only number that has a chance. But is the song right?

After a lot of reflection I realized that we live in a society where “one” gets a bad rap. Think about it, if a male or female friend of yours is single and getting up in age, nobody says, “Good for him, Mr. Independent!” No, everybody says, “What’s wrong with him?” “Doesn’t anybody love him?” “At least he has his friends.” Or, God forbid a woman! Turn thirty and she should be sent to a nunnery or off to spinster preschool. We are brought up believing in soul mates and not being completed till Mr. Right or Miss Right comes along. And you know what? We are wrong! Two may be less lonely, but two doesn’t equal joy.

For example, have you ever been with someone so long that you want to pull out your hair and if pushed hard enough you’d scream out, “Look I just have to have my own space?!!” I bet you have. Look at the Buddhists. Inner peace and happiness comes from within when we find our center, our purpose, our reason to get out of bed in the morning. Look, I’ll repeat the question, “When is it time to get married?” Or put a much better way, “When is it time to share your life with someone?” That answer is simple. When you know who you are, know where you’re going, and have some idea of how to get there. Then you can figure out if someone is headed in the same direction and wants to share the ride of a lifetime.

Thirty-four Percent

A recent survey of women ages eighteen to fifty-four asked, "What was the single most important factor in choosing a marriage partner?" Thirty-four percent responded personal wealth. Personal wealth? What in God's name does money have to do with love, soul mates, and forever? As males, should we be mortified that one in three aren't looking for a sparkling personality, or a winning smile? Or on the contrary, should we be happy that at least the numbers are in our favor? We have a two out of three chance that who we are matters more than our purchasing power!

When I first read this statistic in a magazine I couldn't help but take notice, 34 percent! To me it seemed high. In an age when Destiny's Child has a number one hit with "Independent Women," and Jennifer Lopez belts out "My love don't cost a thing," who the hell are these 34 percent, and how can single guys stay away from them? Now I guess if you see yourself as a nerd or a wanna-be Sugar Daddy in training you might not care. But it seems to me that the rest of us want to know who this 34 percent is. Maybe we could get them to wear buttons. You know, something catchy like "You can't have this ass without some cash!" No, they'd never go for that! Maybe "With some money you'll get lucky!" That's a little better.

On second thought, it just hit me that they don't want us to know because if we did we'd pack up our gear and head upstream. Nope, sadly the 34 percent are destined to be secret agents. Only when it's too late will their true identities come out.

Is the secret to act poor and then reveal we're loaded when they fall for us? Or try to borrow money for a month from them and see

how they react? Nah, I doubt it. I think man's only ally is time. Don't rush it, take it slow, and be yourself. I imagine these 34 percent aren't very patient ladies (and I say that loosely). Yup, that's it. Take your time and see if your relationship turns to wine, or dies and withers away on the vine. Yeah, that should be our motto.

Comatopia

More than a few decades ago I was born in Kittery, Maine, the second child, the first and only son. My dad, a pilot in the U.S. Air Force (later a wing commander) brought me up with a code of ethics that I still use today. "If a job is worth doing, do it right the first time." "Be a man of your word." "Be a gentleman." There are a lot of life's lessons he taught me, but he never told me about "comatopia." True, it's a made up word, but it does have its origin. It comes from the word, "coma" (unconscious, can't wake up) and "utopia" (a country of perfection). The irony is that "comatopia" is a perfect place to live but you can't appreciate it because you're out like a light.

"Comatopia" is a land that every man, young man, or schoolboy will visit, is visiting, or is stuck in right now. We were not forced there against our will. We volunteered gladly. Let me explain: when a man/boy meets a woman/girl, his brain goes through an almost instantaneous checklist:

Face:

Breasts:

Booty:

Legs:

Then a quick addition followed by a question that if answered, "yes" is a weekend pass into "comatopia."

“Would I do her?”

The minute a man asks and answers this question to himself, he not only has entered “comatopia” but will be stuck there till he gets kicked out, takes a cold shower, or rounds third base.

“Comatopia” is a state of mind where a man says and does things purely for the possibility of a booty call. Is she smart? Who cares! Is she kind? Who cares! Are you compatible? Who cares! Who cares! Who cares! I’m in combat mode: get the booty, get the booty. Women, most of them, are more evolved. They have the capability of not just evaluating the book by its cover; they’ll even skim a few chapters. Women make educated decisions. Men make “comatopia” decisions. There are very few women who will sleep with a man they don’t like, but ask any man from “comatopia” the same question and he’ll snap right back, “What do liking somebody and sex have to do with each other?” I’m not proud that “comatopia” exists or that I’ve even visited there more than once. What I’m trying to do is make all men aware of it so they will stop making fools of themselves for superficial reasons.

- 1) You don’t go out with a girl just because she passes the extremely low, low bar of “I’d do her.”
- 2) Realize that big breasts do not compensate for character flaws.
- 3) Ask yourself if this new person in your life meets the standards of going from an unknown to an acquaintance to being your friend before you even consider how hot she is or isn’t or whether you should do the horizontal shuffle.

- 4) I know trying to act like 007 may be fun, but women can see through a phony in a heartbeat. Be yourself; at least if you're shot down you won't spend the rest of your life wondering if she hated the real you or your poor James Bond impression. It's true that the truth can hurt sometimes and it may be brutal but without it we can't make adjustments at halftime to be a better person.

The key for men in finding “Miss Right” versus “Miss Right Now” is to fall for who she is, and what she believes in, not how she fills out a swimsuit. If on top of all that she's beautiful too, you truly are a lucky man. But you know what? If you do allow yourself to get to know and fall in love with the person inside first, I guarantee the book cover won't matter. Just look at us, how many Robert Redfords and Brad Pitts are among us? Not many, but we're loved anyway. We can learn a lot from women and very little from “comatopia.”

For Women Only

The following articles are targeted at explaining, understanding, breaking down, and excusing what might be one of the toughest nuts to crack—the Male Species. Why he does what he does, why he doesn't do what he should, why he says one thing and then another, why some are scoundrels and some saints. We'll dive into the male psyche to hopefully shed a little light on what makes a guy tick.

Having been a guy my entire life and played the game, it's now time for someone to call a time-out and share with you gals the locker rooms secrets most men would take to their grave. Enjoy!

Secondhand Men

I went to an antique store to browse the other day. As I walked in, I saw a line of beautiful mahogany curio cabinets, a chest of drawers, and a rolltop desk that would have taken anyone's breath away. As I continued my stroll, I saw an eighteenth-century, four-poster canopy bed, hand carved and meticulously taken care of, shining under a chandelier. "Looking for a bed, mister?" the spunky old saleswoman asked.

"Nope," I said, "Just looking around."

"You know that bed has quite a history behind it," she replied.

"Oh really?" I said. "Fill me in."

She was delighted that she had piqued my interest. "Rumor has it Roosevelt himself slept on it!"

"No kidding? How do you know that?" I asked.

"His initials are carved into the headboard," was the quick reply. Sure enough, once she pointed it out, you could easily pick out the T.R. amongst the scrolled pattern. "Also take a look at this. You see the slight cracks in the wooden support slats that held the mattress?"

"Yeah, I sure do," I said.

"Well, that about cinches it, don't you think?"

"Why is that?" I asked.

"Hell, sonny, everyone knows he was a rough rider!"

I fought hard against breaking out into laughter, but lost the battle. "No, no, that's OK, maybe if you just let me look around."

"The bed goes for \$25,000," she whipped back, "but I'm willin' to deal."

"No, ma'am, that's OK, just let me...Excuse me, what's all that stuff under the must go sign?"

"That's junk nobody wants. Can't give that stuff away," she sniffed.

"Mind if I take a look?"

"Go ahead, it's all 75 percent off."

As I stumbled through the broken rockers and silver-plated candleholders, I saw something that caught my attention. "Whatcha want for the lamp?"

"It's broke, don't work, fifty bucks and I'll wrap it up myself."

"Seems like a lot for a broken lamp."

"OK, OK, \$35, but you wrap it yourself."

The lamp was probably a knockoff and would need rewiring, but I figured, what the heck, the leaded glass dragonfly pattern was pretty. "OK, I'll take it." As it was being rung up, I noticed a curious, rusted old stamp underneath the base of the lamp: Tiffany Studios. The lamp was later appraised for \$80,000.

I tell this story for a reason. Most assuredly Teddy Roosevelt didn't sleep in that bed, and a broken-down lamp in a junk pile can shine again and be worth a fortune. Men are no different. To some degree, we are all secondhand men. We have pasts, futures, and stories to tell. None of us comes to the antique store new. The question for the woman is, which of our stories are false and which ones are true?

The Scarecrow, The Cowardly Lion, & The Tin Man

All men—not some men—are either one, two, or all of the above. Knowing which one you have and how to deal with him will either make or break your relationship.

Let's start with the scarecrow. Unlike his title, the scarecrow is brave, loyal, and trustworthy. He would fall on a brush fire if it meant saving a life. Scarecrows are so kindhearted that their mates always take top priority. Scarecrows remember birthdays, anniversaries, and special occasions. Their downfall lies in self-maintenance. Their stuffing is always falling out. Their organizational skills are poor at best and matching the right tie, sports coat, and slacks can sometimes be disastrous. Scarecrows are generally considered loners that avoid large crowds and will stay introverts unless forced out of the nest. Most scarecrows think they lack the brain power for success, but they're generally geniuses. If you don't mind a man with maintenance problems, who is probably a little sloppy, scarecrows make great husbands and can be molded with little or no extra effort. Don't get me wrong, scarecrows aren't wimps, they're just guys that are too smart to know how smart they are.

Cowardly lions are direct opposites of scarecrows. They are boisterous, loud, sometimes obnoxious, and very macho. They are extroverts

to the third power. They are the athletes, the lawyers, and the salesmen. You see, to a cowardly lion, the "cowardly" is silent. To them they are just lions—kings of the jungle. But the sad part is that it's just an act—partly for their benefit, partly for others—but it is still just an act. You see, ladies, men are a nation of opposites. If he acts macho, he's really shy; if he's shy, he's a conqueror; and hidden inside of every cowardly lion is a man that thinks if he acts tough enough and talks tough enough, maybe he can convince himself he's tough enough. Cowardly lions can make great husbands, but they are tougher to tame. If you don't get through the macho man act, you're doomed. Until the cowardly lion realizes he doesn't have to act tough to be a man, you'll never get anywhere. By the way, some cowardly lions are smart, but very few. Unfortunately, they spend much more time thinking about themselves than they do others. A cowardly lion's favorite saying is, "What's in it for me?"

The Tin Man, if you recall, was looking for a heart. That's probably the best way to describe a tin man—a man in search of emotion. Tin men can be accountants, engineers, even architects. Usually they are great men—overachievers, men of logic, cause-and-effect fellows. The biggest problem with tin men is that they overanalyze everything and can be extremely anal. They have a sense of perfection that must be a standard for all others to live up to. Quite frankly, most tin men end up living very empty lives. They get left behind because they can never learn the art of compassion and the voice of the soul. Want to be a wealthy wife? Find a tin man, he'll be a great provider. Want to live a glorious life? Teach a tin man how to feel, how to touch, how to love. Give the tin man a heart and you'll have a love affair that will never die.

Now don't get me wrong, not all men are just one of these characters, some are combinations—heck, there's even a Dorothy or two out there. But what you should get from this article is that there is no one definition of a man. We are all different and if you're going to want to get to know your man better, it might be a good idea to know whom you are talking to.

Superman Syndrome

Big boys don't cry. If you want a job done right, you have to do it yourself. Survival of the fittest. The boy with the most toys wins. A real man solves his own problems. Behind every good man is a good woman. Young boys are told a lot of things growing up. Stereotypes are created at a whim to please society and the world around us.

Superman Syndrome is the fallacy that a man ain't worth two cents if he's not a good provider and problem solver. Ever hear the expression, "I wonder who wears the pants in that family?" It stems from ignorance bred by the idea that a real man is head of his family and makes all the final decisions. It's that ignorance that turns young boys into men who think every time their family or their wife has a problem, they're expected to be supermen and solve the problem.

Real men solve problems—that's what we're told our entire lives. That's why I think men get confused when our mates tell us about their day and, instead of listening to understand and sympathize, the superman in us listens to fix, solve, and save. Most men don't understand that women don't need saving anymore. I don't know if they ever did. Women just want to be heard. Not solved or fixed, just heard and understood. Nothing has meaning until we give it meaning. A problem is not a problem until we label it one.

I don't know what women do when they sit around and share ideas. But I do know what men do when they group together. They tell war stories: battles won, problems solved, questions answered. We puff ourselves up, I think not so much out of ego, but to help each other garner a little more confidence to take on another day.

You see, deep down we know we aren't supermen and we can't solve all the problems, but that doesn't stop us from trying. Maybe this article should be targeted to men, telling them to stop labeling everything out of a woman's mouth as a problem and trying to fix it. But there is also a message here for women: try to understand that when we don't have something to fix we feel useless. I don't know how to make men better listeners, but if I could make one request, maybe once in a while when you do have a problem to solve, even though you can probably solve it yourself, you could be Lois Lane and let your guy be Superman. Because even if we can't save the world, we still want to be heroes.

Sophomore Jinx

In baseball when a pitcher is doing well (striking everyone out) they say he is in a zone. His fastball, curve ball, split finger, and slider are all probably working for him! He can do no wrong. He's got the right stuff. When a pitcher is getting lit up (hit on) they say he's lost his stuff, no zone, throwing up junk. He typically gets pulled for a relief pitcher. But if a pitcher does get lucky enough to stay in a zone for 9 innings, 27 batters, 27 outs, and no walks, they say that pitcher has pitched a perfect game. In the history of baseball few pitchers have ever thrown a no-hitter, even fewer have ever pitched a perfect game, and no pitcher has ever pitched two consecutive perfect games in a row. Never. Ever.

For some men perfection can be a curse. A ghost they end up chasing for the rest of their lives. Others just quit rather than face the certainty of constant disappointment. Without question the quest to the top of the pyramid is certainly much more enjoyable than defending the crown. Consistency in achievement on or off the field can be paralyzing to men. The bedroom is no different.

At the beginning of every relationship a man is attempting to throw his good stuff. He goes all out. He stands up on the mound, winds up, and tries to put one over home plate. Right in the pocket. Flowers, dinner, massage, foreplay, doubles, triples, home runs. Sometimes, and I mean rarely, it's magic, euphoria, time stops, and even the gods give a standing ovation. For that moment the man is perfect. The perfect lover! Now keep in mind the male is proud of himself but somewhere deep inside regardless of how happy he is with his performance anxiety quickly sets in. "Oh my God!!" "What if she thinks I can pull this off every time?!" "What if she thinks this is just my run-of-the-mill, day-to-day stuff?" "I'd kill myself if I had to try and pull this off again!" Panic has taken over. He has become his own worse enemy. "Why in God's name did I have to set the sexual bar so high?!" "Should I run or confess?" "No, better that she think I'm a sex god than admit I'm human." "I'll run."

You know what happens next? Nothing. The phone doesn't ring; the man doesn't call. If it's the beginning of the relationship it becomes the end. The confused gal whose world was rocked thinks she was just played when in reality the man just has sophomore jitters or is afraid of a "Sophomore Jinx." All men know that no pitcher has ever thrown two perfect games and the likelihood he's going to be the first is slim and none. The sad part to this story is that this couple

actually did have magic, did make time stop, but now it's lost because most men who care about a woman's feelings at some level are insecure. It's that insecurity that allows boys to be heroes, fight wars, become scholars, become dads, become men. Men do great things to squelch insecurity, and as we get older it gets smaller but it never goes away entirely. If as a woman you can see through our bravado there might be a few relationships you can save before it's too late.

If you're dating and perfection shines on you in the bedroom, make a point to let him know as a reward next time he gets to sit it out while you take charge. Men, whether they admit it or not, love to be made love to. We don't always need or want to be in control.

If you're in a relationship already and you sense signs of performance anxiety, take the bull by the horns (literally) and relieve a little tension. Men don't get headaches in the bedroom, it's just sometimes they don't feel like going nine innings. It's your job to be the relief pitcher every now and then.

Snugglers' Blues

I'll be the first one to admit my wife has snugglers' blues. Snugglers' blues is when a snuggler marries a nonsnuggler and feels deprived. You see, there are a lot of us men that are two-pillow men. When we go to sleep at night, we have one pillow to hold and one under our head. Snugglers want us to nix the snuggle pillow and snuggle them instead. Here's the problem:

- 1) The dead arm: When we enter into an official snuggle (spooning position), inevitably a man's arm gets pinned under his mate's body, where it quickly falls asleep, becomes numb, and goes into shock.

- 2) The inferno: A man is generally carrying around a few extra pounds of insulation, and when his body comes into contact with another body, he heats up. Look, bears go into hibernation because they're cold, which then allows them to get a good night's sleep. Heat up a bear and he won't be able to sleep.

A man is no different. Some of the biggest fights my wife and I have are over what temperature to keep the thermostat in the house at.

- 3) Incapacitation: Men need to alter between three positions during a good night's sleep (side to side, belly flop, and flat on the back). If a snuggler ambushes a nonsnuggler during one of these positions, he feels trapped—trapped in a position that at any moment he may decide needs to be changed, and will find himself unable to escape. Trapped position equals no sleep.

Now, it may appear to the average observer that, being a nonsnuggler myself, I'm trying to defend my position (no pun intended), which is true. But I am not unsympathetic to the snuggler who equates snuggling with intimacy and nonsnuggling with being a jerk. Look, we nonsnugglers are just trying to get a good night's sleep. Obviously there needs to be a compromise, so I think I've concocted a plan: fifteen to thirty minutes of snuggle time prior to lights out, then break to separate corners. Or, set your alarm thirty minutes early in the morning and snuggle then.

I want to live in a world where snugglers and nonsnugglers can come together as one and live as happy people. I want to live in a world where a man is not judged by the color of his skin. Oh, wait a minute, I'm getting carried away. How do you solve snugglers' blues? Compromise.

Will I Marry a Cheater?

If you're married, you'll probably remember the words, “I (fill in your name) do take (fill in his name) to love, honor, and cherish through sickness and health; through good times and bad; forsaking all others; 'til death do us part.” Or, maybe you were more creative and wrote your own vows. Either way, I'll bet my bottom dollar monogamy and 'til death do us part were part of your vows. If your man said these words, or is going to say these words, you can stop reading this article right now. You have married or are going to marry a cheater. I don't know whose idea it was to put boundaries on love and death in the same sentence, but the person was an idiot. The quickest way to drive a man to cheat is by putting boundaries on him or bringing up his own mortality. That's why so many middle-aged men run off with another woman—because 'til death do us part pops up in their head and they feel they have to leave their current relationship because it's only heading one place: Deathville.

Statistically, 99 percent of all men will cheat on their spouse during their marriage. The other 1 percent doesn't exist, it's just there because no statistical average is 100 percent accurate and the survey has a + 1 percent error ratio. That's right, that's what I'm saying, all men cheat, are cheating, or will cheat. Now, don't get me wrong, not all men's mistresses are women. In some cases, it's football, golf, sports in general, work, money, or possessions. Heck, men can cheat on a woman with a television set. Cheating can be anything that makes a woman feel lonely, depressed, taken advantage of, or replaced. Ever feel jealous of something your boyfriend or husband is doing or has done? Then you've allowed yourself to be cheated on.

Want to know what I believe are the two reasons most responsible for divorce in this country? Jealousy and boundaries. Tell a kid he can't have a cookie and I promise you will catch him with his hand in the cookie jar. Even Adam and Eve, who had everything, blew it the minute someone (who will remain nameless) said you can eat everything, but don't touch the apples. Come on, the nameless one was practically begging them to take a nibble. Men as well as women tend to want what they are told they can't have. Want a forever-lasting relationship? Loosen the reins. The tightest relationships are the ones with the loosest reins. Remove jealousy, remove boundaries, and you'll remove cheating.

I think if I could write the perfect vows, they would be, "I'll always try to do my best but if there are times when I am weak, you'll allow me to speak and not judge me for my thoughts." Want to blow a man's mind? Tell him, "Honey, just because we are getting married, you don't have to give up your other interests. Just always be honest with me. Tell me the truth. Loving me doesn't mean letting go of others or the things you love." Do you know the No. 1 reason women give for leaving a man if he cheats on her? It isn't the other women—it's the deception.

So if you're a man reading this article (and you really are a man) and you're thinking of letting something else come between you and your spouse, be at least big enough to be honest with your woman and tell her. And if you're a woman reading this, make your man understand that you can be loving and understanding of just about anything, unless he disrespects you or is dishonest.

Why Won't the Question Pop?

Someone once said that the only two things that are certain in life are death and taxes. I think either of these absolutes could be argued, but that's for another discussion. If, however, I could add one more absolute, it would be the search for happiness. I think it's fair to say that we all want to be happy. In fact, I'd even say that some people spend their entire lives trying to achieve that state. Some people believe money, friends, or family will make them happy. Some believe that when they find the perfect mate, happiness will blossom. Then, when that perfect mate pops the question, they'll have someone to share their life with forever and ever. That sounds good, doesn't it? No loneliness, just sharing, loving, and joy. But I'm getting too far away from the title of this article.

Why won't the question pop? If you're in a relationship and have exchanged I love yous, why won't he jump over the broom and pop the question? Does time have something to do with it? Maybe a lack of commitment? Maybe he hasn't cut the apron string from his mother. Maybe he was in a bad relationship and needs time to heal. Maybe he's never been in a relationship and doesn't understand the rules. Maybe he's saving up for a big rock and doesn't have the last payment yet. Or maybe the question was never supposed to pop in the first place. Ever hear the saying, "A watched pot will never boil"? Love doesn't come with a rule book. In fact, if it did, I probably wouldn't play. Love doesn't wait for anything or anybody. Love just is. Love isn't a question, an answer, an agreement, or a proposition. Love just is. Are you wondering when your man is going to pop the question? Well, maybe you should stop worrying. If your man has to think about whether he wants to spend the rest of his

life with you, he's not the one. And if you think a ring on your finger is going to somehow magically change your love for each other, you're wrong. The question you should be asking yourself is, "Am I happy when I'm with him? Does he build me up when I'm feeling down? Does he help me smile when I'd rather frown?" Love isn't a question. Love just is.

Now, I'll be the first to admit that life equals change, and relationships must change as well. We must reinvent ourselves every day to show the world who we are and what we represent. But does a woman need a man? I hope not. If you ask the rich, the famous, and the philosophers, they will probably tell you happiness is not found in possessions or even a person. Happiness is found in sharing, not needing! Let me repeat that again, happiness is found in sharing, not needing. If you need a man, you'll push him away. If you need a job, you'll lose it. If you need money, you won't have it. The act of needing admits to the world you are without. Instead, try sharing yourself, sharing your love, sharing your happiness. You cannot share something you do not possess.

Why won't the question pop? If you need it to, it won't. Strong relationships are built on sharing, not dependency. Show your man you can stand on your own two feet, then you can ask the real important question, "Why should he be asking the question anyway?"

Necessities

I think we can all agree that there are some basic necessities we all must have to survive: food, water, clothing, and shelter. Now, whether your food of choice is caviar or a burger, and your beverage,

a beer or Don Pérignon, has a lot to do with your value system and personal taste. Personally, I'm a blue jeans kind of guy, but I have enough Giorgio Armani suits hanging in my closet to keep my wife happy. It's so easy to get caught up in a race of one-upmanship—keeping up with the Joneses. I've seen men motivated by a lot of things. Fear of loss certainly is a big motivator in our society. As a couple creates a union, there are some things I think had better be ironed out before the knot is tied, and that's necessities.

Before I ever got serious with a woman, my list of necessities was actually quite small. An apartment seemed just as good as a house and a couple pounds of bologna, a few loaves of bread, and Kraft macaroni and cheese could sustain me for weeks. I remember that at one time I ate nothing but Taco Bell tacos for dinner for six months straight. (My God, do you know that to this day you can still get two tacos for 99¢?) What to wear, how to look, what to eat seemed like decisions low on the totem pole of life compared to striving after my real passion: work. Success consumed me, not the trappings, the winning. There are many men that are no different. Einstein wore the same slacks and shirt practically every day of his life. Now, he had many pairs of the same pants, but he'd made a conscious decision that certain choices weren't worth worrying about day after day. What's for dinner? What am I going to wear? If it weren't for women, there would be a lot of men living very happy lives in huts.

Women change all that for a man. For the most part, women raise our necessity bar to a new level. Women add humanity to men. Women create necessity. I think most women by nature have an appreciation for beauty that most times has to be taught to us

(cave)men. When a man loves a woman, he'll want to lasso the moon for her. That's a task I've tried many times, only to fail. I think it's important that when a woman makes her lists of needs and wants, preferences and wishes, she does so very carefully. Preferences can turn into needs and needs into necessities, so that a man can become overwhelmed very quickly. And when possessions take priority over your relationship, you've lost the war. Necessities are necessary, but please don't make the list too long, or you may get what you desire, but lose us in the shuffle.

"Possessions usually mean less once possessed," a famous man once said. So don't stray too far from the truth. It's one thing to have a house as a home, but does a palace have to be your roof? If a couple can't see eye to eye on what are priorities and what are preferences, they're in for a rocky marriage. Not every man wants to be a multimillionaire, and not every woman would sacrifice time with her husband to live in a mansion. The road map to a successful marriage lies in two people wanting to end up in the same place. So you'd better make sure you're on the same page, and for that matter, reading the same book.

Newlyweds' Prayer

Lord, watch over us as we venture into uncharted seas.

Protect and guide us to live in your glory and be an example of your love.

Watch over our families that have become one through our union.

Give us patience and understanding to weather the storms that test every alliance.

Be our shelter when we are homeless and our compass when we have lost our way.

Lord, let us be always be forever grateful for the gifts you have bestowed upon us so that never a day goes by that we take for granted the love we share now.

And let the everlasting love we will share together always fill our hearts.

Buying Your 2nd, 3rd, or 4th Diamond

There's a very good chance that the diamond engagement ring won't be the last diamond you buy! Perhaps you're already looking for your second diamond. In my experience, there are five main reasons people shop for another diamond: Remarriage, Replacement, Upgrade, Trade-in, and Special Occasion.

New Marriage

Marriages end, sad to say, by death or divorce, but love can bloom again! New love, at any age, brings springtime back into your heart and pretty soon you find yourself gazing into jewelry store windows. Now I'm going to give you one piece of advice which will spare you a lot of grief.

Love is beautiful the second time around—but a ring isn't! Never recycle or even duplicate the ring from your previous marriage.

God forbid you should ever recycle a ring that you gave to a former fiancée or an ex-wife. Never!

Diamond Factoid

The country which produces the most diamonds, both by weight and by number: Australia! (40 million plus carats)

Your new love wants to feel special, wants to know that there's never been a love such as her. You'll shatter that feeling if you give her a ring from a previous relationship.

Of course, the exception is a family heirloom, perhaps your mother's or grandmother's ring—but not if it was also worn by your former wife. If you do give your beloved an heirloom ring, she's entitled to a new setting if she wants one. It's only the diamond that's forever. If your family has a problem with a setting change, it might be best to leave the heirloom in safe deposit and purchase a new ring.

Replacement Diamond

If her first diamond is lost, stolen, or damaged, you'll be shopping for a replacement. Don't assume she'll want an exact replica! Some women love the original so much they will want exactly the same thing if the original is gone, but other women will be ready for a change. Tastes do change over time, after all, so talk this over. Be diplomatic, and give her the option of change. Say to her, "Honey, I know your old ring meant a lot to you, and it meant a lot to me, and I'd do anything to bring it back, but it's gone. And since we're doing (a little)(a lot)(tons!) better than we were then, I want this ring to be all you want it to be. So I'll be happy to get you a duplicate of the old ring, or a new one that's bigger, better, or just different. The choice is yours—I just want you to be happy." You'll be a hero!

If the old diamond was damaged so that the clarity grade has dropped by two grades or more, the insurance company should cover the cost of replacement. If your damaged diamond was not insured, maybe you can still use it as a trade-in.

Diamond Upgrades

This can be an upgrade in size, quality, or both. Many women are happy with their original ring but would still like to have a bigger one. An anniversary is an ideal time to make this upgrade. This is another time to be practical and talk things over together. Does she want to trade in the original, or want to keep the original and get a new one? Many women treasure their original engagement ring, and even if they get a bigger diamond later, they want to keep the original and wear it as a pendant or save it for a child's future engagement. Or, some women will take a more practical approach and use the trade-in value of the original to get an even larger new diamond.

Fred's advice: Never trade in her existing engagement ring without her knowledge!

Trade-ins

Diamonds for trade-in can come from a lot of places. Your wife's old engagement ring, a ring from a failed engagement or former marriage, or a family heirloom. The keys to getting the most for your trade-in are as follows:

1. Get an independent appraisal of the trade-in diamond and ask the appraiser for the Rapaport value of the stone. "Rapaport" is a price sheet all appraisers use to determine a diamond's wholesale value. The Rapaport value=wholesale price; retail is 2X Rapaport. You should always be able to buy a diamond at its Rapaport price, and receive credit on a trade-in at Rapaport.
2. After you get the appraisal, you can visit your jeweler knowing what you should get for the trade-in. Don't be lazy and let the

jeweler appraise the diamond. A lot of jewelers might undervalue your trade-in.

3. Jewelers hate trade-ins, so always negotiate your new purchase *before* indicating you have a trade-in. If you tell the jeweler up front you have a trade, he'll just jack up the retail price.

- Determine what type and grade of diamond you want.
- Negotiate the price, using the guidelines in this book.
- Show your trade-in, telling the jeweler you've already gotten an independent appraisal.
- Make sure the trade-in amount equals the appraised wholesale value.
- Subtract the trade-in value from the price you negotiated for the new diamond, and that's your bottom line.

Example:

You're buying a .90ct SI1-I1, Class 2, no fluorescence.

Price: \$5,534

Your trade-in is a .50ct VS1-J1

Appraised value: \$1,395

You pay: \$4,139

Special Occasions and Gifts

As time goes by, you'll want to add to her diamond collection with gifts for a birthday, Christmas or Chanukah, an anniversary, or some other special day. This might mean diamond stud earrings, a

diamond tennis bracelet, a pendant, or an anniversary ring. The number one question I'm asked about these purchases is, "Do I get the same quality as the engagement diamond?" Well, my friend, how important is the purchase to you? Most people see the engagement ring as something they'll treasure for a lifetime. Is that how you view this new purchase? If so, don't waste your money on second-class merchandise. If not, get a cubic zirconia or costume jewelry.

The decision is yours.

Trunk Shows

Many jewelers offer what are known as "remount trunk shows." These are basically marketing events at which they offer hundreds of settings, and where jewelers try to entice you to replace or trade in your old diamond. The problem with a trunk show is that all the diamonds have been mounted in settings, so it's impossible to check their weight, clarity, and color. And don't ever trade in your old diamond at these shows—they'll probably undervalue it.

Fred's Advice: *Never buy a diamond in a prefabricated setting for more than \$2,000 unless the jeweler will let you view the diamonds loose.*

How to Sell a Diamond

I know this book is called *How to Buy a Diamond*, but let's face it: not all diamonds are forever. There may come a time in your life when you want to sell a diamond or two, for one reason or another. It may be an engagement ring from a previous marriage, or a pair of diamond studs from an ex-boyfriend. It may be a family heirloom, or just a diamond you don't wear anymore. Rather than let it gather dust in your safe deposit box, you'd like to convert it to cold cash. Here's what you need to do. And remember: patience is a virtue! If you rush into a sale without doing your homework, you'll get burned. Follow these steps:

Step 1: Appraisal

Have the diamond appraised. You need to know what you have, and a qualified appraiser can tell you. Find one by calling the Appraisers Association of America, 386 Park Avenue South, 20th floor, New York City, NY 10016, at (212) 889-5404. Tell them where you live, and ask for a list of appraisers in your area. They won't tell you over the phone, but they'll send you a few recommendations—it'll take about a week. If you can't wait, look in the Yellow Pages under Appraisers. Check the appraiser's affiliations. The top three groups are:

Appraisers Association of America, www.appraisersassoc.org

American Society of Appraisers, www.appraisers.org

International Society of Appraisers, www.isa-appraisers.org

Membership in any of these is a good indication the appraiser is okay.

Step 2: Rapaport Value

Ask the appraiser for the Rapaport value. Rapaport is a wholesale price sheet published in New York that tells jewelry stores all over the country the prices they should pay for diamonds. The Rapaport prices are wholesale, based on Class III cut diamonds. *The price the appraiser gives you will be the highest price you can get for your diamond.* For example, if your diamond is a 1-carat, round, VS1-G, Class III cut with no fluorescence, the Rapaport value would be \$8,300 (Note: Class IIIs are discounted 25–50 percent from Class IIs). That's the most you'll get for it. That same diamond would sell for more in a jewelry store, but you're not a jewelry store! Anyone who buys a diamond from an individual, who gives no guarantees or warranties, is simply looking for a good deal.

Step 3: Buyers

Find a buyer. There are a number of possibilities here, but I'm going to firmly guide you away from most of them. In my mind, the two best choices are: 1) family or friend, and 2) a jeweler.

A. Family or friend:

This is my top recommendation hands down. I've seen people try every which way to sell a diamond or piece of jewelry, then finally discover that a family member or friend would love to buy it. Before you go to strangers, look close to home for a buyer. You'll always make your best deal with someone who knows you, loves your jewelry, and wants to own it, while a liquidator just wants to resell it for a quick buck.

B. Jewelry store:

Yes, but be careful! Never let the jewelry out of your sight—you don't want someone pulling a “switcheroo” on you. Before the jeweler starts a spiel about how poor your diamond is, show him the appraisal. At that point, the jeweler will probably make you an offer that is below “dump value.” Dump value is a trade expression—it means 60 percent to 80 percent of the diamond's Rapaport value, and it's the lowest price a diamond should ever sell for. If the jeweler offers you *below* 60 percent, don't take it. He's going for a fast buck, because he knows he can resell the stone overnight to a dealer at regular dump value. But if the jeweler offers you 60 percent to 80 percent of the Rapaport value, he's actually being fair. Remember, to make any money from the deal he'll have to find a new buyer for the diamond, and who knows what expenses he'll incur to do that.

Let's take our one-carat VS1-G, Class III cut diamond from Step 2, which has a Rapaport (wholesale) value of \$8,300. Dump value would be 60 percent to 80 percent of that, or between \$4,980 and \$6,640. Try to negotiate the best price, of course, but don't feel insulted if the jeweler's offer is 5 percent below the low dump price. He's just trying to make a little money for handling the deal. But if he offers you only 40 percent or even 50 percent of wholesale, tell him NO DEAL!

Now let's talk about some options that I do NOT recommend.

C. Newspapers:

The premise is simple: you take out an ad, a buyer calls you and gives you money for your diamond. But it's never that simple. I have seen the classified ads work, but not often. In fact, I did a little survey on

my own and found only an 11 percent success rate. You can do better than that in Las Vegas! Furthermore, placing an ad exposes you to all sorts of people including crooks who want to steal your jewelry. You'll make appointment after appointment with "buyers" who don't show up. Even if you attract a legitimate buyer, he'll drag you back to the appraiser and then make a ridiculous offer. I would avoid the classifieds. It's not worth putting yourself in danger.

Diamond Mystique at Work

The diamond weighed forty carats. It was discovered in Lesotho, South Africa, and had been cut into a Marquise shape and mounted as a spectacular ring. The clarity grade was high—VVS—but the color was only M or N, and at wholesale the diamond would fetch perhaps \$260,000. But when the ring sold at auction in April 1996, the winning bid was \$2.58 million—ten times the wholesale value! Why? Because this was the ring Aristotle Onassis gave to the widow of President John F. Kennedy as an engagement ring, and bidding at the Sotheby's auction of the Jacqueline Kennedy Onassis estate was a feeding frenzy by the well-heeled who wanted to touch and own a piece of Camelot. For

the high bidder, Anthony J.F. O'Reilly, the ring had a special appeal. His wife Chryss was a Goulandris, a member of a powerful Greek family that had been an archival of the Onassis family in the shipping business.

D. On consignment:

A jeweler might say, "Hey, why not leave your diamond with me and I'll sell it on consignment and make big money for you." DON'T DO IT!! NEVER leave your jewelry with anyone unless you're paid up front. He can promise you the moon, switch your good diamond for a piece of junk or a cubic zirconia, then call you in a couple of weeks to tell you to pick up your jewelry because he couldn't sell it!

E. Pawn shops:

They should be called "Prawn Shops," because they'll dip you in cocktail sauce and eat you alive. On average, pawnbrokers will offer you only 10 percent of wholesale. STAY AWAY!!

You may have heard of *Diamond Dealer Clubs*, but these are only for the trade, and unless you're in the trade you won't get within ten feet of these places.

Another option, for high-end jewelry only, is an auction house. Two to consider in the U.S. are:

Christie's

502 Park Avenue at 59th Street
New York City, NY 10022
(212) 492-5485

Sotheby's

1334 York Avenue
New York City, NY 10021
(212) 606-7000

Antique or “Estate” Jewelry

Many people love to shop for antique jewelry, in hopes of finding a beautiful and unique piece of jewelry, softly glowing with the patina of time and enhanced by the mystique of history. Fine, but remember that buying previously owned jewelry is a lot like buying a used car. Be smart enough to get a trained mechanic to look under the hood—that is, get an independent appraisal, and follow the guidelines in this book just as if you were buying a new piece of jewelry.

There are two things to be careful of. One, a lot of antique diamonds are Old Mine or Old European cuts. These styles, popular in the late 1800s and early 1900s, are cut very high and deep and allow a lot of light to leak out the bottom. They really are nothing better than a Class III or Class IV cut diamond. If you're buying an antique diamond with one of these cuts, expect a 35 percent to 40 percent discount off the prices listed in this book.

The second caution is, watch out for fairy tales! Dealers know that a diamond with a fascinating history is going to sell faster and for a higher price than one without a history. Don't be mesmerized by tales of Russian princesses or Arab sultans. Listen politely and smile, but then say, "That's great, but it's still a VS1-G, Class III cut!"

Anniversaries and Occasions

If there's any man out there who believes that his jewelry-buying days are over after he purchases the bridal set—let me dispel that notion here and now! The fire in that first diamond always ignites a burning desire for more. “My engagement ring is lonely,” she’ll say. “It needs diamond earrings to keep it company.” Or a tennis bracelet, or a pendant—the list goes on.

Anniversaries are perfect times for gifts of jewelry, gifts that say “you’d marry her all over again,” to quote from the advertisement. Never make the mistake of getting your spouse a practical anniversary gift, like a new toaster or a vacuum cleaner. Anniversaries are occasions to celebrate and renew your love for each other, and only a personal gift such as jewelry is right for the moment.

Here's a traditional anniversary gift list.

Anniversary	Gift
1	Clocks
2	China
3	Crystal, glass
4	Electrical appliances (Yuck!)
5	Silverware

6	Wood
7	Pen & pencil set
8	Linen, lace
9	Leather
10	Diamond jewelry
11	Fashion jewelry
12	Pearls or colored stones
13	Textiles, furs
14	Gold jewelry
15	Watches
16	Silver hollowware
17	Furniture
18	Porcelain
19	Bronze
20	Platinum
25	Sterling Silver Jubilee
30	Diamond
35	Jade
40	Ruby
45	Sapphire
50	Golden Jubilee
55	Emerald
60	Diamond Jubilee

Here's a Gem Anniversary List, developed by several trade associations.

Anniversary	Gift
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1	Gold jewelry
2	Garnet (all colors)
3	Pearls
4	Blue Topaz

5	Sapphire (all colors)
6	Amethyst
7	Onyx
8	Tourmaline
9	Lapis
10	Diamond jewelry
11	Turquoise
12	Jade
13	Citrine
14	Opal
15	Ruby
16	Peridot
17	Watches
18	Cat's Eye
19	Aquamarine
20	Emerald
21	Iolite
22	Spinel (all colors)
23	Imperial Topaz
24	Tanzanite
25	Sterling Silver Jubilee
30	Pearl Jubilee
35	Emerald
40	Ruby
45	Sapphire
50	Golden Jubilee
55	Alexandrite
60	Diamond Jubilee

Natural Birthstones

January	Garnet	A red lustrous stone which occurs mainly as crystals.
February	Amethyst	A clear purple or bluish violet variety of quartz crystal.
March	Aquamarine	A transparent beryl that may be blue, blue-green or green in color.
April	Diamond	Need we say more?
May	Emerald	A rich green variety of beryl, highly prized.
June	Pearl	Dense, lustrous layers of nacre formed around a foreign object within the shell of oysters and some other mollusks.

July	Ruby	A rare red corundum, sometimes worth \$30,000 per carat.
August	Peridot	A deep yellowish-green olivine stone.
September	Sapphire	A rich blue transparent corundum gemstone.
October	Opal	A hydrated silica gemstone noted for its iridescent play of colors.
November	Topaz	A silicate of aluminum, usually a transparent yellow to brownish-yellow.
December	Turquoise	A sky-blue copper aluminum phosphate, highly prized.

Conclusion

Congratulations! You have finished *How to Buy a Diamond*. You've learned about the Four Cs, how to grade diamonds, how to select a jeweler and how to get the best diamond for your dollar. You have your questionnaire sheets to guide you. Now, I want you to ask yourself two more questions:

Do I really want to marry her?

Does she really want to marry me?

If you don't answer these questions immediately and emphatically "YES!!" then maybe you should think this over before you make a serious investment in a ring that says "Forever." Marriage is a magnificent institution for two people in love who have no doubts about wholehearted commitment to one another. Please be sure you're in that category before visiting the jeweler.

Also, I believe there are good reasons to buy a diamond and also reasons you should avoid taking the plunge. I'd like to share them with you now. They're called Diamond Values: What Giving a Diamond Should and Shouldn't Represent.

I. Give from the heart; not out of fear

- II. Give through knowledge; not out of ignorance
- III. Give to create joy; not because of intimidation
- IV. Give to celebrate commitment and success; not to impress others
- V. Give what you can afford to give; don't overextend yourself

And please remember one more thing: any diamond can make a good first impression, but only a good diamond will keep your attention.

I hope you've had as much fun reading this book as I have had writing it. I know that buying a diamond can be one of the most expensive and nerve-wracking purchases you'll ever make, but it can also be one of the most exciting and rewarding—if you apply the lessons you've learned in this book. Follow my advice, and you should be able to get the right diamond at the right price. And isn't that what it's all about?

My final words of advice are:

- If a deal seems too good to be true, it probably is.
- Truly good diamonds are more expensive or just not available and are not being discounted.
- The “labs” experiment failed when we decided to trust the fox guarding the hen house.
- A diamond is only worth what somebody else is willing to pay for it.
- If it's not fully bonded it's probably full of baloney.

Happy diamond shopping!

Inside the Diamond Business

BLOOD DIAMONDS

Blood diamonds are synonymous with conflict diamonds. The term is designed to dramatically emphasize that behind the glamorous image of diamonds lies a web of corruption, influence peddling, and brutality in some parts of the diamond-producing world.

Consumers began clamoring for assurances that the diamonds they desired were not being used to finance conflicts. To that end an alliance of government, civil, and industry groups created the “Kimberley Process” to clean up the trade in rough diamonds.

First, in 1998 the United Nations (UN) initiated action that culminated with the establishment of the “Kimberley Process.” However, the UN’s definition of the term blood diamond or conflict diamond is very narrow and was designed to get everyone on board. The definition reads as follows:

A blood diamond (conflict diamond) refers to a diamond mined in a war zone and sold in order to finance an insurgency, invading army’s war efforts, or supporting a warlord’s activity.

Next, in July 2000, the World Diamond Congress in Antwerp passed a resolution blocking the sale of blood diamonds. The resolution

installed an international certification system on the export and import of diamonds. Countries could only accept sealed packages of diamonds with an official seal, and criminal charges would be levied against anyone and everyone trafficking in blood diamonds.

Six months later, in January 2001, the top elements of the diamond industry formed a new organization—the World Diamond Council. They drafted a process whereby all known diamond rough could be “certified” as coming from a non-conflict zone. Thus, the “Kimberley Process” was created and approved by the UN in March 2002. The United States followed with the Clean Diamond Act in April 2003, and the “Kimberley Process” became law in the United States.

According to the “Kimberley Process” website, there are now 46 members blessed by the Kimberley experts. Only the Ivory Coast (Africa) has rebel forces that control diamond production, but less than 0.2% of the industry.

Our narrative could end here, but I have a much broader definition for a blood diamond. Here is my definition:

- Any diamond that was mined using oppressed labor in unsanitary working conditions.
- Any diamond whose oppressed labor force was victimized in the form of rape, mutilations (loss of arms or legs), beatings, verbal abuse, unconscionable working hours, and below poverty wage structure.
- Any diamond that the company who mined it or controls its tariffs is part of a monopoly.
- Any diamond that funds wars or corporate greed where profits supersede human life.

- Any diamond that is used to oppress any human life or the extinction of any race, tribe, or sub-culture.
- Any diamond that is purposely graded incorrectly and marketed for corporate profits instead of consumer satisfaction.
- Any diamond that is sold at a price above its secondary market resale value forcing the consumer to take a significant loss if it was to be resold.

So, what percentage of diamonds sold in the world today are blood diamonds? Well, maybe the question should be what percentage of diamonds are NOT blood diamonds.

GIA: FIRES FOUR IN NY, APPOINTS MOSES TO HEAD LAB

By Jeff Miller

(Diamonds.net, Rapaport News - October 18, 2005) The following press release from the Gemological Institute of America (GIA) details results of its internal investigation and action, following charges filed against GIA by Max Pincione. (Read the court case below.) The GIA stresses that they have “zero tolerance” for misconduct and have made some organizational changes, one of which was to appoint gemologist Thomas Moses as the new head of the GIA Lab, with the title of senior vice president, GIA Laboratory and Research.

GIA Completes Independent Review, Announces Organizational Changes

Carlsbad, Calif.—Oct. 18, 2005—The Board of Governors of The Gemological Institute of America, Inc. (“GIA”) announced

today that a Special Committee of the Board has completed a comprehensive review of the policies and practices currently in place at the GIA Laboratory. The review was initiated as a result of a lawsuit filed in the spring of 2005 by Max Pincione, which named GIA as one of four defendants. GIA is continuing to defend itself vigorously in that litigation.

Ralph Destino, Chairman of GIA's Board of Governors, said, "The Board was deeply disturbed by the claims asserted in the complaint, and we felt that we had a responsibility to ourselves, our clients, and the public to not only look into them but to also thoroughly examine all lab practices. That is precisely what we have done."

Four-Month Independent Review

In May, the Board formed a Special Committee to investigate the allegations in the lawsuit and any related business practices. The Special Committee, in turn, engaged the law firm of DLA Piper Rudnick Gray Cary US LLP ("DLA Piper") to conduct the review under the leadership of Thomas F. O'Neil III, a partner based in Washington, DC, who chairs the firm's Government Affairs practice group and who served as an assistant United States Attorney for the District of Maryland.

"Tom O'Neil has an outstanding reputation as a thorough and tough investigator. We knew we were in good hands," said Mr. Destino.

Mr. O'Neil said, "We conducted an extensive four-month review, during which we interviewed dozens of witnesses and reviewed tens of thousands of documents, including thousands of diamond grading

reports. From the outset, the Board embraced the important guiding principles of self-policing and zero tolerance of misconduct.

“The investigation revealed that, although GIA had undertaken to fortify various facets of the grading process during the past decade, additional measures are warranted. Accordingly, we have presented for the Board’s consideration a number of possible enhancements of, and supplements to, existing policies governing the grading process and compliance in general.

“The Board already has decided to implement a number of our recommendations, including the appointment of a Compliance Officer in the laboratory who will report to the general counsel and will oversee the enforcement of the Institute’s compliance policies,” added Mr. O’Neil.

Board Action

The Board has appointed an Operations Review Committee to assess, and implement as appropriate, the recommendations of DLA Piper.

Mr. Destino said that, “As a consequence of the investigation, GIA has made a number of key personnel changes including:

- Four employees of GIA’s New York lab have been terminated;
- Thomas M. Moses, G.G., a distinguished gemologist with a stellar reputation around the world, has been named the new head of the GIA Lab, with the title of Senior Vice President, GIA Laboratory and Research; and
- Thomas C. Yonelunas, former head of the GIA Laboratory, while not implicated in any violations of GIA’s Professional Ethics and

Conduct Compliance Statement, has tendered his resignation, effective December 31, 2005, to ensure a smooth transition of leadership.”

Zero Tolerance Policy

Mr. Destino said, “We have zero tolerance for any misconduct by employees of the laboratory. They undermine confidence in GIA’s ability to serve the diamond industry and ensure the public’s trust in gems and jewelry. Going forward, all GIA employees will be obligated to report all suspected violations of the Institute’s compliance policies to the new Compliance Officer.

“At the same time,” added Mr. Destino, “our policies apply with equal force to lab clients. We, therefore, will not tolerate any violations of our code of ethics by clients of the lab, most particularly improper attempts to influence the outcome of our grading reports. We have identified a small community of lab clients who are implicated in such actions and, rest assured, they will be dealt with swiftly and decisively.”

GIA Must Be “Beyond Reproach”

GIA President William E. Boyajian said, “I want to thank the Board of Governors for their strong leadership in this sensitive matter. Because of GIA’s important position in the industry and in the public eye as the leading authority in gemology, we take very seriously the need for our practices, procedures, and employees to be beyond reproach.”

Mr. Boyajian continued, “That is why we are so pleased with the appointment of Tom Moses to oversee the laboratory. Tom Moses is a man of unquestioned integrity and professionalism, as he has demonstrated over his 23 years of outstanding service to the Institute. His leadership will be essential in bringing a serious, systematic approach to our efforts to strengthen our organization even further. At the same time, I want to thank Tom Yonelunas for his many years of service to GIA and the entire industry.”

COURT CASE: PINCIONE VS. VIVID, GIA

By Jeff Miller, Posted: 8/26/2005 3:57 PM

(Diamonds.net, Rapaport News—August 26, 2005) Judging from the e-mails and phone calls into Rapaport this past week, there is great concern within the diamond industry about a pending court case related to alleged payments in exchange for upgraded diamond certificates dating back to the year 2001.

What follows in this article is a summary of the full court documents in the case of Max Pincione (a New York diamond dealer) vs. Vivid Collection LLC, and the Gemological Institute of America (GIA). This information is provided as a courtesy to Rapaport readers. All parties continue to negotiate and those negotiations are not a matter of public record.

Furthermore, defendant responses are not part of this court document. Quotations are direct phrases from the plaintiff’s court filing. Other statements are paraphrased from the court documents to net-out the history and the pending case.

On April 21, 2005, attorneys for Pincione filed complaints against Moty Spector of Vivid Collection, Ali Khazeneh of New York's Upper East Side, and Bill Farley, acting agent for GIA in New York, in the Supreme Court of the State of New York in the county of New York.

The Plaintiff

Under oath, Pincione established that he is the plaintiff and is a dealer in fine gemstones, including "extremely rare and valuable diamonds." He states that he earned an international, "unparalleled, untarnished, and enviable" reputation for "dealing and honesty in the diamond and rare gem trade" whose principal client is listed as the "Royal Family of Saudi Arabia." Through an agent [Medad] for the Royal Family, orders were placed with Pincione.

The Defendants

Vivid Collection engages in the business of selling diamonds. Spector (as officer of Vivid) and Khazaneh are in the business of dealing and or selling diamonds. GIA is an expert business in evaluating the quality of diamonds presented for evaluation.

The Complaints

Pincione says that he received two pieces of jewelry from Vivid, both of which were certified by GIA. The first piece was a platinum round shape diamond ring of 37.01 carats, H-VS2; the second piece of jewelry was a diamond pendant with a 103.78 carat Pear-shaped, D-F.

On May 22, 2001, Shaer & Spector shipped to Cimabue of New York City a diamond ring and cufflinks, green emerald earrings, and a necklace for \$16,930,000 on memo. The diamond grading report dated October 3, 2000, shows a Pear Modified Brilliant, 103.78 carat, 56.3 percent depth, 48 percent table, medium to thick faceted, large, excellent (polish), good (symmetry), flawless (clarity grade), D (color), with No fluorescence. [The diamond ring certificate is not in the copy, only described by name in text.] Pincione offered the ring to the Royal Family, and he said that the transaction was made with a “very good profit” to himself, Vivid, and Spector. The Royal Family had the ring inspected, and returned the ring to Pincione without explanation, but did ask for the return of payment. Pincione says it was the first time his client returned a purchase and demanded refund. He said he refunded the Royals their payment.

On March 23, 2005, Capt. Mohammad Hesham Ali Amin, general manager of Medad (a company owned by a member of the Royal Family) submitted a letter on behalf of Pincione “in lieu of my appearance.” He writes that in May 2001, Pincione hosted an exhibition of diamonds and jewelry “to which members of the Royal Family” and others attended.

Hesham Al Amin writes, “a member of the Saudi Royal Family purchased the 37.01 [carat] round diamond ring in the amount of” \$1.2 million and “the diamond was inspected and was found not to be as purported and returned to Mr. Pincione.”

Later, Hesham Ali Amin negotiated the transaction of the diamond pendant for \$14 million. The pendant was returned after

purchase and Pincione said he was banished from doing business in the kingdom.

“After review by a member of the purchaser’s group, it was determined that the stone was not as purported,” Hesham Ali Amin wrote.

The plaintiff was told that the diamonds were not of the quality stated in the GIA grading reports. “That the plaintiff by offering said stones with grading reports containing falsified information unbeknownst to plaintiff at the time, risked by his innocent acts, incarceration and punishment in Saudi Arabia, in accordance with their laws,” the documents state.

He explains that in Saudi Arabia acts of fraud are punishable by imprisonment, and “I was forced to intercede into the matter so as to prevent Mr. Pincione from being incarcerated.”

“As we personally know Mr. Pincione for many years, we do not believe he was involved in any deliberate act to misrepresent the stones.” Hesham Al Amin states that Medad’s reputation “has been marred” and that no members of the Royal Family “or other related clientele can conduct business with Mr. Pincione, as reputation and trust are two characteristics that can never be restored when destroyed.”

In January 2005, Pincione learned for “the first time of the fraudulent actions and conspiracy of the defendants, from information and documents shown to the plaintiff.”

The quality of the diamond ring sold to the Royal Family was “not H-VS2 as represented to the plaintiff by defendant Vivid and certified to the plaintiff by defendant GIA, but was in reality of J-quality.”

The quality of the diamond pendant was “not D Flawless as represented” by Vivid and GIA, but “was in reality E-VVS2 quality.”

The 2002 Defamation Suit

In 2002, Pincione charged that Vivid, Spector, and Khazaneh “had groundlessly accused” him of “theft of a diamond and communicated the false accusation to Harry Winston, Inc.,” Pincione’s former employer. Pincione took action (defamation) against Vivid and Spector, which was settled out of court with payment of \$750,000 to Pincione along with letters of apology from Spector and Khazaneh.

Settlement agreement between Pincione, Spector, and Vivid was signed on December 20, 2002. Vivid agreed to pay Pincione \$750,000 in total, in exchange Pincione “forever” releases and discharges Spector, Vivid, Martin Klien, Abraham Klien, Julius Klien Diamonds, Inc., Khazaneh, and Rima Investors Corp, from claims, debts, demands, agreements, etc. And all defendants forever release Pincione from same. Each party also agreed to “refrain from accessing, discussing, copying, disclosing, or otherwise using confidential information...concerning any of the parties.”

Vivid releases that “they are unaware and have no knowledge directly or indirectly of any misappropriation, conversion, or any sort of theft at any times of jewelry by Pincione” from any, “but

not limited to Harry Winston, Inc. Nor are said releases aware of any other business improprieties of which they participated in directly or indirectly.”

On July 8, 2002, Spector wrote in a notarized letter that “you might have heard a rumor created by me whereby I wrongly accused Max Pincione of misappropriating a diamond from me, in excess” of \$300,000 while “Pincione had been employed with Shaer & Spector.”

Spector apologized to Pincione and “fully retract my previous statements,” and declared that Pincione had “nothing to do with such a loss.”

Khazaneh wrote on December 20, 2002, that at “sometime during the year 2000, I, Ali Khazaneh, of Rima Investors Corp., communicated the following information to Harry Winston, Inc.: ‘On August 27, 1999, Mr. Pincione presented an .83 carat Pink Trillion Diamond to Rima Corp.’” and inquired if Rima was interested in having the diamond cut.

Khazaneh withdrew his remarks, saying “Pincione was never at my office on August 27, 1999,” and that the plaintiff “never approached me or my company in regards to re-cutting a Pink Diamond or any other diamond for that matter.”

New Charges in April 2005

The decision to settle the defamation suit “out of court” was “part and parcel of an elaborate, fraudulent scheme, to have the

plaintiff enter into a release which by its terms would, unbeknownst to the plaintiff, eliminate and prevent the discovery of additional, substantial, and serious fraudulent actions of the defendants herein...”

In 2002, the agreement said that Pincione would “deliver to Vivid” any property in his custody pertaining to Spector, Vivid, or Abe [Abraham] Shaer of Shaer & Spector, Inc., or documents given him by Mark Blickman.

This agreement, Pincione says, was drawn to “conceal a conspiracy between the defendants herein, to make money illegally, by obtaining from the defendant GIA false records, thereby attempting and succeeding to sell lower quality diamonds falsely certified as higher quality...”

Pincione states that due to the prior “untarnished” reputation of GIA, he had every reason to “rely on the material representations made by the defendants, jointly and severally, about the quality of the gems and the diamond grading reports relating thereto.”

Had Pincione been aware of the “falsification of entries in the diamond grading reports” he would “never have settled his defamation action or signed the release set forth herein,” the court documents report.

The suit argues that the 2002 defamation suit agreement is null and void “because of said fraud, and said actions were made with actual intent to hinder and impede existing and future claims by the plaintiff.”

Six Causes of Action in 2005

1. The 2002 case settlement was “drawn” with the intent “to conceal their [defendants] conspiracy and their procuring false diamond grading reports from the defendant GIA.” For “bad faith” Pincione requests a declaratory judgment wherein the “release should be declared non effective and non operative as to any causes of action against the defendants arising out of their fraudulent actions.”
2. The plaintiff’s reputation was ruined and the good will between Pincione and his clients was destroyed. By offering the diamonds to his clients “with falsified entries in the diamond grading reports, risked by his innocent acts, incarceration and punishment in Saudi Arabia...” and seeks \$50 million in damages.
3. Vivid “breached its contract” with Pincione by supplying “gems of quality certified honestly by defendant GIA.” Subsequent loss of business is set forth in damages of \$50 million.
4. Defendants “jointly and severally breached their fiduciary relationship with the plaintiff by misrepresenting to him the value of gems submitted...” for sale to Pincione’s clients, “thereby injuring the reputation and destroying the good will developed by the plaintiff after years of hard work.” For this, the plaintiff has been damaged in the sum of \$50 million.
5. The court document says that Khazaneh executed the 2002 settlement agreement and release along with “a letter of apology, said defendant has been and continues to slander the plaintiff, by stating to various friends and customers of the plaintiff, that: ‘I

cannot understand why Pincione is not in jail, in that he has stolen so much' (paraphrased)." It is stated that Khazaneh was "warned" to cease and desist "in his slanderous statements."

The court is asked to void the settlement agreement and release between Pincione and Khazaneh due to "slanderous statements." The plaintiff has been damaged in the sum of \$50 million.

6. Khazaneh has "caused the plaintiff to be threatened," in that the plaintiff states a man "who has identified himself as defendant Khazaneh's brother to make telephone calls to the plaintiff threatening the plaintiff with statements including but not limited to: 'If I were you, I would sleep with an eye open,'" and "Dr. Nuchbacker a friend and spiritual advisor to (Khazaneh) has many followers and they would kill for him in a blink..." Cited as "malicious acts" in the statement, the plaintiff says it was "part of a plan of action by defendant Khazaneh to put the plaintiff in fear of his life, and were acted upon with malice," has caused emotional distress, and in so seeks damage in the sum of \$50 million.

Damages

Pincione demands judgment against the defendants of "rescinding the release in full" and demands five "cause of action" complaints in the sum of \$50 million each; and "altogether with punitive damages against the defendants, jointly and severally, in the sum of \$150 million, and the costs and disbursements of this action."

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APOLLO HAS LANDED?

Foreword:

On September 9, 2003, *Wired* magazine broke an incredible story about a new type of synthetic diamond that would, in theory, revolutionize the way people buy diamonds and at what price.

Assertion:

Mr. Bryant Linares, (President of Apollo Diamond, the company that has invented the technology) stated in his interview that Apollo has patented a process to grow diamonds. The tag line for this new product is the C.V.D. diamond. C.V.D. stands for Chemical Vapor Deposition. The idea, according to Mr. Linares, is “you must first determine the exact combination of temperature, gas composition, and pressure—a ‘sweet spot’—that results in the formation of a single crystal.” Apollo states that they have discovered that “sweet spot.” The *Wired* magazine article goes on to paint a picture of \$5.00 per carat, non-detectable, synthetic diamonds soon to be on the market. The article continues, this could potentially break the iron grip that DeBeers has had on the diamond industry for over a century and awake us from our slumber to affordable diamonds for everyone! Happy ending? End of story? Not quite.

Reality:

Not mentioned in the article by Joshua Davis from *Wired* magazine is that the product they are producing is averaging only 2 millimeters thick! That’s the exact thickness of a nickel—a far cry from the typical size diamond preferred by the diamond-buying public.

Unless you've got a craving for a 1/20th of a carat engagement ring, there is no Utopia here or expected any time in the near future. Another thing not widely reported is that when they are able to get slightly larger crystals, they tend to be brown. The American buying public is primarily a buyer of whites. Apollo's solution to the brown color is to anneal (bake) the diamonds after step one and bake the nitrogen and boron right out like a ring around the collar. Apollo also likes taking credit for discovering the "sweet spot," when in reality chemical vapor deposition of carbon atoms from hydrogen-rich, carbon-containing gas was invented in the 1980s. The process has been used to deposit thin polycrystalline diamond films on cutting tools. One of the last claims to fame for Apollo's C.V.D. rocks is the potential that they will be undetectable from the naturals. Not hardly. Natural diamonds occur in nature, forming paired nitrogen atoms. Synthetics have only single nitrogen atoms. Also, all the samples examined so far fluoresce a very weak yellow-orange under long-wave UV (ultra-violet) light; moderate yellow-orange in short wave UV, and strong red fluorescence under high energy UV light.

As of May 2008, I am happy to say that Apollo is totally open for business! While I almost didn't believe these guys could pull it off, they have! They are actually growing white pretty synthetic diamonds at competitive prices. For now, please keep in mind that the good ones at decent sizes only range from .20ct-.75ct. Don't let others fooled you with a 2ct synthetic/man-made white gem quality diamond. That's not true. For anyone who is skeptical of blood diamonds and is looking for an honest alternative, these guys are holding the future in their hands. The diamond industry is quite simply not going to be able to keep up with the world's demand for diamonds with off-the-chart growth rates

in China and India clamoring for rocks. It's time for the naysayers and skeptics (I was one) to embrace these guys because they have a good product that the world needs.

ICE IN ICE

One thousand miles north of the U.S. border in Lac de Gras, Canada, a remarkable thing has been going on since 1998. They are mining diamonds, and I'm not just talking onesies and twosies but bucketsful! On any given day, Ekati (first ever Canadian diamond mine) will sift 10,000 tons of Kimberlite (a rock formation in which diamonds are formed) to obtain a sack of 10,000 carats of diamonds (about 4 pounds) valued in excess of one million dollars. What's even more amazing is where they find these diamonds. They are buried in ice two-thirds of a mile down, chilled to a very uncomfortable 70° below zero. At a cost of 600 million dollars, BHP Diamond Corporation (Broken Hill Proprietary, an Australian outfit) broke ground with a team of 500 people who live and work on the frozen tundra working in shifts (two weeks on and two weeks off) 365 days of the year, including Christmas. To give you some idea how big a diamond find this is, let's put it into perspective. Every year 30 billion dollars worth of diamonds are mined worldwide. That's every mine from every country in the whole world to get to that 30 billion. This one little mine is currently producing 3 million carats a year at a value of a billion dollars. So what, you say? Here's what; only one company is on line right now but there are 260 companies that have staked claims on 100,000 square miles (larger than Texas). They've found 136 Kimberlite pipes with five already having enough diamonds to mine. Think about it; if there's

only one mine in production (Ekati Diamond Mine); one main Kimberlite pipe being used (named Panda, how cute); imagine what will happen when the other mines come on line! Next year, Diavik Diamond Mines, Inc., will be in production and at their peak they will be able to produce six million carats a year (twice that of Ekati)! With most of these mines' life expectancy being 20 years, that's over 6 billion dollars worth of diamonds to be produced from each single location. Before this decade is out, 12% of the world's diamonds will be coming from Canada.

What it means to you

Nothing! The Canadians, as well as all the foreigners they are letting mine, don't want to see the price of diamonds fall. It's not in their best interest. They are going to do what's been done for the last hundred years; allow a certain amount to the market and hoard the rest for future consumption. With the 8% consumption increase from India and 12% increase from China, the amount of diamonds mined from Canada may not fill the worldwide demand.

Good diamonds still are endangered species.

LUSTING FOR GRAVEL

In Neiman Marcus's 100th Anniversary Edition of The Christmas Book, you will find on page 102 the following items: a pencil (sharpened with a used eraser and slightly chewed around the upper wooden barrel towards the point); a sketch (assuming made by the

pencil) of something that looks like the profile of a sea monster with algae on its pointed head; a squint for an eye and a mouth that looks like Jimmy Cagney right before he says, "Oh...You dirty rat!" Beneath the picture is a marbled rock shaped like an upside down four-sided pyramid with a cross sectioned aorta jetting out of the top. The rock is opaque and looks like a petrified mixture of rocky road, vanilla swirl, and peppermint ice cream. The rock floats above a notebook which lays on top of a five-slatted wood counter top. Imprinted in the notebook are approximately 158 words, 5 numbers (one big one) and a myriad of commas, periods and spaces. So here's the question, what is the most valuable thing on the page?

Don't spend too long thinking about it because it's a trick question. The answer is the paper because at least the paper is 100% recyclable! Now, I'm not implying that a pencil, notebook, bookmark, and table top aren't valuable. They can be used to solve many problems! Even the words are priceless because without them the seller of this uncut rough diamond would be unable to convince some lollipop that they should pay a million dollars for a rock that has less utility than the pencil above it! The old saying a fool and his money are soon parted is never truer of the lollipops that are paying top dollar for worthless uncut diamonds mounted into everything from men's jewelry (cufflinks, necklaces, and rings) to homeopathic crystals mounted into amulets to ward off evil spirits. Anybody who lusts for the gravel that is being pitched as a valuable diamond has more space between his ears than should be allowed by law. If someone tries to sell you a rough diamond, RUN as far and as fast as you can from the sales person!

DIAMONDS ARE NOT FOREVER

By Edward Jay Epstein

HAVE YOU EVER TRIED TO SELL A DIAMOND?

Part 1 of the 3 part series

De Beers' advertising slogan, "A Diamond Is Forever," embodied an essential concept of the diamond invention. It suggested that the value of a diamond never diminishes and that therefore a diamond never need be sold or exchanged. This precept, of course, is self-fulfilling: As long as no one attempts to sell his diamonds, they retain their value (assuming the cartel controls the supply of new diamonds). When, however, an individual is forced to defy this principle by attempting to sell diamonds, the results can prove illuminating. Consider, for example, the case of Rifkin's Russian diamonds.

In the fall of 1978, a thirty-two-year-old Californian computer wizard named Stanley Mark Rifkin discovered an ingenious way to become a multimillionaire overnight. While working as a consultant for the Security Pacific National bank in Los Angeles, he had learned the secret computer code that the bank used to transfer funds to other banks telegraphically at the end of each business day. With this information and his mastery of the bank's computer, he realized that he could transfer tens of millions of dollars to any bank account in America. The problem would be withdrawing the money from the system. In early October, he devised a plan for siphoning this money out of the bank and converting it into Russian diamonds.

The first step was establishing an alias identity. Under the pseudonym “Mike Hanson,” Rifkin opened a bank account at the Irving Trust Company in New York, arranged a phony passport and other documentation, and retained a respected diamond broker, Lou Stein, to acquire for him a multimillion dollar consignment of diamonds from Russia. The Russian diamond organization, Russ Almaz, agreed to sell “Hanson” at its fixed wholesale price 115,000 perfectly cut, round, brilliant stones for \$8,145,000. For arranging this low price, the broker took a standard 2 percent commission, or \$162,000. For the deal to be consummated, Rifkin only had to wire the money to Zurich.

On October 25, Rifkin coolly entered the bank’s transfer room under the pretext of inspecting the computer. He picked up a telephone connected to the computer and dialed in the necessary digits. Instantly, the computer withdrew \$10,200,000 from a non-existent account and transferred it to the account of “Mike Hanson” at the Irving Trust Company in New York. Rifkin then had the New York bank transfer \$8,300,000 to the Zurich account of Russ Almaz.

A few days later, using his phony passport, Rifkin flew to Switzerland, took delivery of the diamonds, which weighed under five pounds, and smuggled them through customs into the United States. He then began contacting dealers in Los Angeles, but none was willing to buy the diamonds.

Meanwhile, the Security Pacific National Bank discovered that more than ten million dollars was missing. It was one of the largest bank robberies in history. The FBI, investigating the loss, received a

tip about Rifkin, and arrested him in Carlsbad, California, and found on him the Russian diamonds, as well as the remaining cash.

Initially, bank officials assumed that most of stolen money prudently invested in diamonds would be easily converted back to money. Only a few weeks earlier Newsweek had reported in a cover story, "The Diamond Boom," that diamonds were "the ideal asset" and that quality diamonds were soaring in price. While the diamonds that Rifkin had bought were commercial-grade stones used in jewelry, the London-based Economist Intelligence Unit had such diamonds, which had increased by at least 50 percent that year and were still increasing in price. Independent appraisers estimated that the diamonds, which Rifkin had bought at a low price, were worth at least \$13 million at the retail level, and so the bank foresaw that it might make a profit of some \$5 million with the reported appreciation in value of the diamonds. In anticipation of this windfall, they agreed to pay the 10 percent custom tax on the diamonds which Rifkin had evaded, as well as part of the cost of the FBI investigation. Before this expected profit could be realized, the bank had to await the outcome of the trial, since the diamonds were important evidence.

Finally, in September 1978, the bank announced that it would sell its hoard of diamonds to the highest bidder. Twelve major dealers were invited to the bank's vault to inspect Russian diamonds. They were instructed to submit sealed bids by the end of the business day on September 18. A minimum price of \$7.5 million was established to encourage high bids, though independent appraisers assured the bank that the diamonds would fetch far more.

On the day of the auction, bank officials anxiously waited to see how much profit they would garner from the diamonds. However,

only a single bid had been submitted, and when it was opened, it was for several million dollars less than the minimum. The bank officials were disappointed at this turn of events. Even though the diamonds had been purchased through a reputable broker at wholesale price, no American dealer would pay anywhere near this price nearly a year later.

The bank offered to sell the Russians back their own diamonds at the original 1978 price. But they refused to buy the diamonds back at any price.

The bankers learned that two Israeli banks were also trying to sell large quantities of diamonds received as collateral from Tel Aviv dealers; and this might make it far more difficult, if not impossible, for the Security Pacific Bank to unload its 115,000 diamonds. So they decided not to wait any longer.

Walter S. Fisher, the vice-president of Security Pacific, was charged with the responsibility of selling the 115,000 diamonds. He realized that diamonds were not a standardized, or fungible commodity, as were gold, silver, and platinum. Different appraisals of the same diamonds varied widely, dependent on what the prospective buyer thought he could sell them for. And, though all the bank's diamonds were commercial stones for the mass market, Fisher found that it was extraordinarily difficult to find a buyer. None of the dealers in the United States were willing to buy such a large consignment of diamonds. Fisher found it necessary to deal through De Beers' main broker in London, I. Hennig, and accept the terms dictated by the buyer, if he wanted to sell the diamonds. He then had to deliver the diamonds to an unknown corporation

in Liechtenstein, G.S.G. Investments, without receiving any money for them for eighteen months. These were terms that the bank probably would not have accepted in selling any other commodity. With a flourish of understatement, the banker concluded, "Selling diamonds is far more difficult than I had anticipated."

While the Security Pacific National Bank's problem was made worse because it had to dispose of the diamonds quickly, even when diamonds are held over long periods of time, selling them at a profit can prove difficult. For example, in 1970, the British magazine *Money Which* tested diamonds as a decade-long investment. It bought two gem-quality diamonds, weighing approximately one-half carat apiece, from one of London's most reputable diamond dealers for \$1,000. For eight years, it kept these diamonds in its vault, inflation ran as high as 25 percent a year. For the diamonds to have kept pace with this inflationary spiral, they would have had to increase in value at least 300 percent. When the magazine attempted to sell the diamonds, the highest bid that it received was \$1500 pounds, which led the publication to conclude "As an eight-year investment the diamonds that we bought have proved to be very poor."

In 1976, the Dutch Consumer Association also attempted to test the price appreciation of diamonds. They bought a perfect, over-one carat diamond in Amsterdam, held it for eight months, and then offered it for sale to the twenty leading dealers in Amsterdam. Nineteen refused to purchase it, and the twentieth dealer offered only a fraction of the purchase price.

In 1972, financial speculators in California had a very expensive lesson in the value of diamonds. In January, the West Coast

Commodity Exchange began trading diamond contracts. Each contract contained twenty carats of cut and polished diamonds that were certified by diamond appraisers to be in flawless condition. On the first day of trading, speculators, assuming that the value of diamonds would increase with inflation, paid \$660 a carat for the diamonds, or \$13,200 per contract. Immediately thereafter, diamond dealers began selling contracts on the exchange, and the price plummeted down to the limit allowed by the exchange for the next six days. The following week, the price was down more than 40 percent. The diamond dealers, who had offered the packets for sale at more than \$600 a carat, made a vast profit within days on the falling prices. The speculators, who could not afford to keep putting up cash to meet the collapsing prices, lost everything. By the end of the second week, the West Coast Exchange ended trading in diamond futures. The value of diamonds, it turned out, could not be established through an open market.

Even among experts, the valuation of a diamond depends on highly subjective criteria. In 1979, for example, New York Diamond Club president William Goldberg was offered a six carat diamond in my presence by a reputable New York dealer. Both Goldberg and the dealer agreed that the diamond had excellent clarity, with no defects visible under a ten power magnifying glass, a highly desirable blue-white color, and had been expertly cut. The only disagreement was, in fact, over the price of the diamond. The dealer believed it was worth \$24,000. Goldberg, after consulting another dealer, believed it was not worth \$8,000. The value was in the eye of the beholder, ultimately.

Selling diamonds can also be particularly frustrating for individuals. One wealthy woman living in New York city decided to sell

back a diamond ring that she had bought from Tiffany two years earlier for \$100,000, and use the proceeds to buy a necklace of matched pearls that she fancied. She had read about the “diamond boom” in news magazines, and hoped that she might make a profit on the diamond. Instead, the sales executive with whom she dealt explained, with a touch of embarrassment, that Tiffany had “a strict policy against repurchasing diamonds.” He assured her, however, that the diamond was extremely valuable and suggested another jewelry store. The woman went from one leading jeweler to another, trying to sell her diamond. One store offered her the opportunity to swap it for another jewel, and two other jewelers offered to accept the diamond “on consignment,” and pay her a percentage of what they sold it for, but none of the half-dozen jewelers she visited that day offered her cash for her \$100,000 diamond. She finally gave up and kept it.

Retail jewelers generally prefer not to buy back diamonds from customers because the offer they would make most likely would be considered ridiculously low. The “keystone,” or markup, on a diamond and setting may range from 100 to 200 percent, depending on the policy of the store. If they bought diamonds back from customers, they would have to buy them back at the wholesale price. Most jewelers would prefer not to make a customer an offer that not only might be deemed insulting but would also undercut the widely-held notion that diamonds hold their value. Moreover, since retailers generally receive their diamonds from wholesalers on consignment and need not pay for them until they are sold, they would not readily risk their own cash to buy diamonds from customers. Rather than offer customers a fraction of what they paid for diamonds, retail jewelers usually recommend their clients to other firms

One frequently recommended is Empire Diamonds, on the 66th floor of the Empire State Building in midtown Manhattan. Empire's reception room, which resembles a doctor's office, is usually crowded with elderly women who sit nervously in plastic chairs waiting for their name to be called. One by one, they are ushered into a small examining room where an appraiser scrutinizes their diamonds and makes a cash offer. "We usually can't pay more than 60 percent of the current wholesale price," Jack Braud, the president of Empire Diamonds, explained. "In most cases, we have to pay less since the setting has to be discarded and we have to leave a margin for error in our evaluation [especially if the diamond is mounted in a setting]." Empire removes the diamonds from their settings, which are sold as scrap, and resells them to wholesalers. Because of the steep markup on diamonds between the wholesale and retail levels, individuals who buy retail and, in effect, sell wholesale often suffer enormous losses on the transaction. For example, Braud estimated that a half-carat diamond ring that might cost \$2,000 at a retail jewelry store could only be sold for \$600 at Empire.

The appraisers at Empire Diamonds examine thousands of diamonds a month but only rarely turn up a diamond of extraordinary quality. Almost all the diamonds found in Jewelry are slightly flawed, off-color, commercial-grade diamonds. The chief appraiser explained, "When most of these diamonds were purchased, American women were concerned with the size of the diamond, not its intrinsic quality." He pointed out that the flaws were commonly concealed by the setting, and added, "The sort of flawless, investment-grade diamond one reads about is almost never found in jewelry."

Many of the elderly women who bring their Jewelry to Empire Diamonds and other buying services have been the recent victims of burglaries or muggings and fear further attempts. Thieves, however, have an even more difficult time selling diamonds than their victims. When suspicious-looking characters turn up at Empire Diamonds, for instance, they are asked to wait in the reception room, and the police are called in. In 1980, for example, a disheveled youth came into Empire with a bag full of jewelry that he called "family heirlooms." When Brand pointed out that a few pieces were imitations, the young man casually tossed them in the wastepaper basket. Braud buzzed for the police.

When thieves bring diamonds to underworld fences, they usually get a pittance for them. In 1979, for example, New York City police recovered stolen diamonds with an insured value of \$50,000 that had been sold to a fence for only \$200. According to the assistant district attorney that handled this particular case, the fence was unable to dispose of the diamonds on 47th Street, and was eventually turned in by one of the diamond dealers whom he had contacted.

While those who actually attempt to sell diamonds often experience disappointment at the low price they are offered, the stories circulated in the press by N.W. Ayer continue to suggest that diamonds are resold at enormous profits. Consider the legend created around the so-called "Elizabeth Taylor" diamond. This pear-shaped diamond, which weighed 69.42 carats after it had been cut and polished, was the fifty-sixth largest diamond in the world, and one of the few large cut diamonds in private hands. Except for the fact that it was a diamond, it had little in common with the millions of small

stones that are mass-marketed each year in engagement rings and other jewelry. When Harry Winston originally bought the diamond from De Beers, it weighed over 100 carats. Winston had it cut into a fifty-eight-faceted jewel, which he sold in 1967 to Harriet Annenberg Ames, the daughter of publisher Moses Annenberg, for \$500,000. Mrs. Ames found it, however, extremely costly to maintain: the insurance premium just for keeping it in her safe was \$30,000 a year. After keeping it for two years, she decided to resell it and brought it back to Harry Winston.

Winston advised Mrs. Ames that he could not buy it back for the price for which she had purchased it from him. She then called Ward Landrigan, the head of Parke-Bernet's jewelry department, and explained that because she did not want any publicity, the diamond should be auctioned without her family's name attached to it.

This caveat gave the publicist that Parke-Bernet retained for the auction the idea for a brilliant gambit. The huge diamond, which would appear on the cover of the catalogue, would be called "The No Name Diamond," and the buyer would have the right to rechristen it. In August of 1969, Ward Landrigan brought the diamond to Elizabeth Taylor's chalet in Gstaad, Switzerland, and assured her that it was the finest diamond then available on the market. She expressed interest in it, and shortly thereafter items were planted in gossip columns suggesting that Elizabeth Taylor planned to bid up to a million dollars for the No Name Diamond.

At that point, Robert H. Kenmore, whose conglomerate had just acquired Cartier in New York, saw the possibility of gaining considerable publicity for Cartier by buying the No Name Diamond,

renaming it the Cartier Diamond, and reselling it to Elizabeth Taylor. He preferred to pay a million dollars for it, so that the sale would be indelibly impressed on the public's mind as the most expensive diamond ever purchased. He arranged to borrow the million dollars from a bank, and took the \$60,000 interest cost on the loan out of his conglomerate's public relations budget.

The auction was held on October 23, 1969, and after sixty seconds of excited bidding, the diamond was sold to Cartier for \$1,050,000. Harriet Ames received from Parke-Bernet, after paying their commission and sales tax, \$868,600, and Cartier received the diamond. Four days later, Elizabeth Taylor and her husband, Richard Burton, bought the diamond from Cartier for \$1,100,000 (which meant that Cartier took a slight loss on the interest charge), and a few days later the diamond was transferred to Elizabeth Taylor's representative on an international airliner flying over the Mediterranean to avoid any further sales tax on the diamond.

Some ten years later, when she was married to John Warner, the United States senator from Virginia, Elizabeth Taylor decided to sell this well-publicized diamond. She announced that the minimum price was four million dollars, and to cover the insurance costs for showing it to prospective buyers, she further asked to be paid \$2,000 for each viewing of the diamond. At this price, however, there were no buyers. Finally in 1980 she agreed to sell the diamond for a reported \$2 million to a New York diamond dealer named Henry Lambert who, in turn, planned to sell the stone to an Arabian client. The profit Miss Taylor received from the transaction, after paying sales taxes and other charges, was barely enough to cover the eleven years of insurance premiums on it.

Most knowledgeable diamond dealers believe that the value of extraordinarily large diamonds, such as the one bought and sold by Elizabeth Taylor, depends more on cunning publicity than the intrinsic quality of the stone. An extreme example of this is the seventy-carat diamond given to the Emperor Bokassa in 1977 by Albert Jolis, the president of Diamond Distributors, Inc. The Jolis family first negotiated a concession to mine diamonds in 1947 in what was then the French colony of Ubangi. Jolis's father, Jac Jolis, had made the case to the State Department that an American company should have the mining rights for diamonds in French Central Africa, thus ensuring the United States a supply of industrial diamonds. He even hired William Donovan, the wartime head of the OSS, to represent his firm in the negotiations. According to a declassified memorandum from the American embassy in Paris, State Department officials were persuaded that it was important for the United States to gain "direct access to strategic materials such as industrial diamonds." Eventually, with the assistance of Donovan, Jolis's firm gained control over the alluvial deposits of diamonds in Ubangi. In 1966, Bokassa, then a colonel in the provisional gendarmes, seized power in a military coup d'état and proclaimed himself president of what was then the Central African Republic. President Bokassa agreed to continue the Jolis concession in return for the government receiving a share of a profit. A decade later, however, when Bokassa decided to become emperor and re-christened the country the Central African Empire, Jolis was given to understand that he was expected to provide a "very large diamond" for the coronation.

As the coronation date approached, Jolis found himself caught in a difficult situation. His firm could not afford to spend millions of dollars to acquire the sort of supervised diamond that would put the emperor-to-be in a league with the shah of Iran or the British royal

family; yet if he presented him with a small diamond, Bokassa might well withdraw his firm's diamond concessions. Finally, Jolis hit upon a possible solution to this dilemma. One of his assistants had found a large chunk of industrial diamond boart, weighing nearly seventy carats, which curiously resembled Africa in shape. This piece of black, poorly crystallized diamond would ordinarily have been crushed into abrasive powder, and as such would have been worth about \$2 a carat, or \$140. Jolis instead ordered that this large diamond be polished and mounted on a large ring. He then had one of his workmen set a one-quarter carat white diamond at the point in the black stone that would coincide with the location of the capital of the Central African Empire. Finally, Jolis placed the ring in a presentation box with a certificate stating that this diamond, which resembled the continent of Africa, was unique in all the world.

The following week, though understandably nervous about how it would be received by the mercurial Bokassa, Jolis flew to the Central African capital of Bangui and presented the ring. Bokassa took it out of the box, examined it carefully for a moment, and took Jolis by the hand and led him into a room where his entire cabinet was assembled. He paraded around the table, jubilantly displaying to each and every one of his ministers this huge black diamond. He proudly slipped it onto his ring finger. Jolis's mining concession was secure, at least temporarily secure in the Central African Empire.

A few days later, the emperor proudly wore the black diamond during the coronation ceremony. The world press reported that this seventy-carat diamond, which had cost Jolis less than \$500, was worth over \$500,000. A piece of industrial boart was thus elevated to being one of the most celebrated crown jewels in the world. When the Emperor

of Central Africa met Giscard D'Estaing, the president of France, he extended his black diamond to him as proof of his royalty.

The Bokassa empire ended in 1979 when French paratroopers, on orders from Paris, staged a bloodless coup d'etat and put the former emperor and his retinue on a jet headed for France. From there, Bokassa went into exile on the Ivory Coast with his prize diamond ring. When Jolis heard that he retained among his crown Jewels the industrial diamond he had presented him two years earlier, he commented, "It's a priceless diamond as long as he doesn't try to sell it."

The value of the Emperor's diamond, like that of most other diamonds, depends heavily on the perception of the buyer. If it is accepted as a unique gem and a crown jewel, it could be auctioned off for a million dollars. If, on the other hand, it is seen as a piece of industrial board, it will be sold for \$140 and used as grinding powder. It is, as Jolis observed, "a two-tier market."

CAVEAT EMPTOR

Part 2 of the 3 part series

In 1977, in Los Angeles, a film producer, who had just closed his account with his stockbroker, received an unexpected call from a stranger with a distinct English accent. The caller, identifying himself as a representative of "De Beers Diamond Investments, Ltd.," began by commending the producer on his acumen in withdrawing from the stock market. "You obviously are aware of the fact that stocks and bonds can't keep pace with inflation," he continued in a soft voice, "but have you considered diamonds as an alternative?"

He explained that diamonds had appreciated “700 percent over the last ten years,” and that they were the “most prudent investment available, since the supply is tightly controlled by a private monopoly.” Without further ado, the caller offered to sell the film producer a selection of “investment diamonds” for \$5,000.

“But how can I buy diamonds over the phone,” the producer asked incredulously.

“All the diamonds are sealed in plastic with a certificate guaranteeing their quality,” the caller responded. “And of course you have heard of De Beers.” The more hesitant the producer became, the more determined the caller became. “We can register these diamonds under your wife’s name, which might be helpful for your taxes,” the caller went on.

“Think of how surprised she will be when the diamonds arrive...and you are buying them below wholesale.”

The caller, it turned out, was one of dozens of salesmen seated around a bank of telephones in Scottsdale, Arizona. Like the rest of the men in this boiler room, as it was called, he was making a pitch to sell diamonds and had been supplied with a list of names of individuals around the country who had recently closed brokerage accounts. For every order he sold, he received a commission of up 20 percent. Since the prices were in reality far above wholesale prices, the company could afford to pay its salesmen, most of them “telephone pros,” large commissions. And despite the similarity of its name, De Beers Diamond Investments, Ltd., was in no way connected with De Beers

Consolidated Mines. Like a host of other recently formed diamond boiler rooms, with names like Diamond Selection, Ltd., Kimberlite Diamond Resource Company, and Tel-Aviv Diamond Investments, Ltd., this firm was formed to promote “investment diamonds.”

When the mail-order diamonds finally arrive at the purchaser's home, they are sealed in plastic with the certificate guaranteeing their quality. The customer is then advised of what amounts to a catch-22 situation: The quality of the diamond is only guaranteed as long as it remains sealed in plastic; if the customer takes it out of the plastic to have it independently appraised, the certificate is no longer valid. When customers broke the seal, many found diamonds of inferior or even worthless quality. Complaints to the authorities proliferated at such a rate in New York that the attorney general was forced to mobilize a “Diamond Task Force” to process the hundreds of allegations of fraud.

“It is incredible,” William R. Ralkin, the assistant attorney general said in the *New York Times* in 1979. “These crooks will get outwardly rational people to buy a sealed bag containing supposed gems...And they have the nerve to tell their victims not to unseal the packet for two to three years, after which they promise to buy back the stones at much higher prices.” He added, “It never fails to amaze me how...professional people like lawyers [and] medical practitioners will send checks for thousands of dollars to people they never met or heard of after being contacted by these boiler room operators.”

Aside from selling tens of thousands of diamonds a month over the telephone, many of these newly created firms hold “diamond investment seminars” in expensive resort hotels. At such events, they present

impressive graphs and data, and typically assisted by a few well-rehearsed shills in the audience, they proceed to sell sealed packets of diamonds to the audience. (Not uncommonly, in dealing with elderly investors, diamond salesmen play on the fear that their relatives might try to seize their cash assets and have them committed to nursing homes. They suggest that the investors can stymie such attempts by putting their money in diamonds and hiding them.

Some of these entrepreneurs were relative newcomers to the diamond business. Rayburne Martin, who went from De Beers Diamond Investments, Ltd., to Tel-Aviv Diamond Investments, Ltd., both domiciled in Scottsdale, Arizona, had a record of embezzlement and security law violations in Arkansas and was a fugitive from justice during most of his tenure in the diamond trade. Harold S. McClintock, also known as Harold Sager, had been convicted of stock fraud in Chicago, and he had been involved in a silver bullion caper in 1974 before he helped organize De Beers Diamond Investments, Ltd. Don Jay Shure, who arranged to set up another De Beers Diamond Investments, Ltd., in Irvine, California, had also formerly been convicted of fraud. Bernhard Dohrmann, the “marketing director” of the International Diamond Corporation, had served time in jail for security fraud in 1976. Donald Nixon, the nephew of President Richard M. Nixon, and Robert L. Vesco, the fugitive financier, were, according to the New York State attorney general, allegedly participating in a high-pressure telephone campaign to sell “over-valued or worthless diamonds” by employing “a battery of silken-voiced radio and television announcers.” Among the diamond salesmen were also a wide array of former commodity and stock brokers who specialized in attempting to sell sealed diamonds to pension funds and retirement plans.

Meanwhile, in London, the real De Beers, unable to stifle all the bogus entrepreneurs in Arizona and California using its name, decided to explore the potential market for investment gems. It announced in March of 1978 a highly unusual sort of “diamond fellowship” for selected retail jewelers. Each jeweler who participated would pay a \$2,000 fellowship fee. In return, he would receive a set of certificates for investment-grade diamonds, contractual forms for “buyback” guarantees, promotion material, and training in how to sell these unmounted diamonds to an entirely new category of customers. The target was defined by De Beers as “men aged 55 and over with inherited or self-made wealth to spend.” Rather than sell fine jewels, as they were accustomed to, these selected retailers would sell loose stones with a certificate for \$4,000 to \$6,000.

De Beers’ modest move into the investment diamond business caused a tremor of concern in the trade. De Beers had strongly opposed retailers selling “investment” diamonds on the grounds that because there was no sentimental attachment to such diamonds customers would eventually attempt to resell them and thereby cause sharp price fluctuations. Indeed, De Beers executives expressed concern that retailers would not be able to cope with the thousands of distressed investors who tried to resell their loose diamonds back to them. In response to this new “diamond fellowship” scheme, the authoritative trade journal, *Jewelers’ Circular Keystone*, observed: “Besides giving De Beers an unusually direct role in retail diamond sales, the program marks a softening of its previous hard-line stand against gem investing.” Eric Bruton, the publisher of *Retail Jeweler* in London, added, “De Beers is standing on the edge of a very slippery slope... They say it is unwise to sell diamonds directly as an investment, then [they] go ahead with this diamond investment scheme.”

If De Beers had changed its policy toward investment diamonds, it was not because it wanted to encourage the speculative fever that was sweeping America and Europe. Its marketing executives in London realized that speculators could panic at any moment, and by precipitously flooding the market with diamonds they had hoarded, burst the price structure for diamonds. They had, however, “little choice but to get involved,” as one De Beers executive explained. Even though the “De Beers Diamond Investments” in Arizona, which had pioneered in selling diamonds over the telephone, had gone bankrupt, more than 200 firms had by then entered the business of selling sealed packets of diamonds to the American public over the phone. And aside from these proliferating boiler rooms, many established diamond dealers rushed into the field to sell diamonds to financial institutions, pension plans, and serious investors. It soon became apparent in the Diamond Exchange in New York that selling unmounted diamonds to investors was far more profitable than selling them to jewelry shops. By early 1980, David Birnbaum, a leading dealer in New York, estimated that in terms of dollar value, nearly one third of all diamond sales in the United States were for investment diamonds. “Only five years earlier, investment diamonds were only an insignificant part of the business,” he added.

Even if De Beers did not approve of this new market in diamonds, it could hardly ignore one-third of the American diamond trade. It had to take some action.

Mass-marketed investment diamonds were made possible in the 1970s by the invention of the diamond certificate. Diamonds themselves cannot be valued by any single measure, such as weight, and the factors involved in such an assessment—clarity, color, and

cut—cannot be made by an individual investor or financial institution. Moreover, since diamonds are not fungible in the sense that one diamond can be exchanged for another diamond of the same weight, some means had to be found of standardizing the quality of diamonds. Certificates, which guaranteed the color, clarity, and cut of individual diamonds, provided this medium.

The Gemological Institute of America, a privately owned company established to service jewelers, developed a convenient system for certifying the quality of diamonds. For ascertaining the “cut” of the diamond, the Gemological Institute devised in 1967 a “proportion scope.” This contraption casts a magnified shadow of the stone in question over a diagram that represents the ideal proportions for a diamond of that size. By comparing the overlap between the image of the diamond and the diagram, the deviation from the ideal can be easily measured and recorded on the certificate. For determining the “clarity” of the diamond, the Gemological Institute developed a “Gemolite” microscope, which has an attachment for rotating a diamond under ten power magnification against a dark background. If no blemishes can be seen in the diamond under this magnification, it is graded “flawless”; if there are blemishes, but they are very difficult to find with this lens, it is graded “VVS,” and with imperfections visible at lower magnifications, it is further downgraded. Finally, to establish the exact color of the diamond, the Gemological Institute introduced the “Diamondlite”: a boxlike machine with a window in it which allows a diamond to be compared with a set of sample stones that span all the color gradations from pure white to yellow. The purest white on this scale is classified as “D”; the next grade of white is classified as “E.” Gradually, by grade “I,” the white is tinted with

yellow; and by grade “K,” the color is considered to be yellow and of much lower value.

By 1978, diamonds were being routinely certified through these methods, not only by the Gemological Institute of America, but also by other Gemological laboratories in Antwerp, Paris, London, and Los Angeles. Since dealers needed certificates for selling investment diamonds, and customers were usually willing to pay a hefty premium for such a document attached to the diamond, the laboratories found it difficult to keep up with the demand. Long lines of diamond dealers usually formed in front of the laboratories, and in many cases, stand-ins were hired to wait in line for impatient dealers.

The certification mechanism, despite all the Rube Goldberg sorts of inventions employed, did not entirely remove the subjective element from diamond evaluation. Not uncommonly, dealers would resubmit the same diamond to the Gemological Institute and receive a different rating for it. It did, however, facilitate the trading of rare diamonds. A diamond certified as D, flawless, was an extreme rarity, and since very few such stones existed, or would ever be extracted from mines, they could be bought and sold on the basis that they were in short supply. The price of these near-perfect diamonds rose from \$4,000 a carat in 1967 to \$22,000 to \$50,000 in 1980. Even though such extravagant prices for D, flawless, diamonds are frequently cited by the press in stories about the appreciation of diamonds, they are atypical of diamond prices. In all the world, there are probably less than one hundred diamonds mined that can be cut into one carat, D, flawless, stones, and only a small proportion of these ever are certified and sold to investors. Moreover, very few diamonds are ever sold for the prices reported

in the news stories. “No dealer I know has ever sold a one-carat investment diamond for \$50,000,” a New York dealer commented.

The high prices quoted for the few available D, flawless, stones do not necessarily hold for diamonds of an even slightly inferior grade. For example, in 1978, when D, flawless, diamonds were quoted at \$22,000 a carat, an H grade white diamond, without any visible imperfections, was valued at only \$2,750. Once mounted in a ring or piece of jewelry, it would be extremely difficult for the untrained eye to differentiate between a D and H color (especially since the setting reflects through the diamond). But while this subtle difference makes little difference in the sale of jewelry, it creates nearly 90 percent of the value in an investment diamond. For what is measured by this grading system is not beauty, but the comparative rarity of a given class of diamonds.

Most investors have no choice but to rely on the piece of paper that comes attached to the diamond to specify the grade, and hence the value, of their investment. Not all the certificates, however, emanate from the Gemological Institute of America. Many certificates have been issued by less reputable—or even nonexistent—laboratories, and the diamonds might be of a much lower grade than that certified.

Even if the certificate comes from a bona fide laboratory, its evaluation of the diamond may later be disputed by another assessor. Robert Crowningshield, the New York director of the Gemological Institute, observed, “...I’ve never seen two experts agree on the quality of a particular diamond.”

The extent to which the value of diamonds is determined by the eye of the beholder was demonstrated in 1981 by an experiment conducted

under the sponsorship of *Goldsmith* magazine. In this test, four leading diamond evaluators were handed 145 diamonds that had previously been graded by the Gemological Institute of America, the European Gemological Laboratories, and the International Gemological Institute. The team of experts was not told how each of the diamonds previously had been graded. After the team had reached its own consensus on the grade of each stone, the results were compared with those of the Gemological institutes. In 92 out of 145 cases, the team of evaluators disagreed with the grades previously given on the certificates. Despite all the scientific paraphernalia surrounding the process of certification, diamond grading remained, according to this test, an extraordinarily subjective business.

To make a profit, investors at some point must find buyers who are willing to pay more for their diamonds than they did. Here, however, investors face the same problem as those attempting to sell their jewelry: there is no unified market on which to sell diamonds. Although dealers will quote the prices for which they are willing to sell investment-grade diamonds, they seldom give a set price at which they are willing to buy the same grade diamonds. In 1977, for example, *Jewelers' Circular Keystone* polled a large number of retail dealers and found a difference of 100 percent between different offers for the same quality investment grade diamonds. Moreover, even though most investors buy their diamonds at or near retail price, they are forced to sell at wholesale prices. As *Forbes* magazine pointed out in 1977, "Average investors, unfortunately, have little access to the wholesale market. Ask a jeweler to buy back a stone, and he'll often begin by quoting a price 30% or more below wholesale." Since the difference between wholesale and retail tends to be at least 100 percent in investment diamonds, any gain from the appreciation of the diamonds will probably be lost in the act of selling them.

Many New York dealers feared that despite the high pressure telephone techniques, the diamond bubble could suddenly burst. "There's going to come a day when all those doctors, lawyers, and other fools who bought diamonds over the phone take them out of their strong boxes, or wherever, and try to sell them," one dealer predicted. The principal ingredient in the Diamond boom is expectations that may not be fulfilled.

CHAPTER TWENTY-TWO: THE GREAT OVERHANG

Part 3 of the 3 part series

Except for those few stones that have been permanently lost, every diamond that has been found and cut into a gem since the beginning of time still exists today. This historic inventory, which overhangs the market, is literally in the public's hands. Some hundred million women wear diamonds on their person, while millions of others keep them in safe deposit boxes or strong boxes as family heirlooms. It is conservatively estimated that the public holds more than five hundred million carats of gem diamonds in this above-the-ground inventory, which is more than fifty times the number of gem diamonds produced by the diamond cartel in any given year. Since the quantity of diamonds needed for engagement rings and other jewelry each year is satisfied by the production from the world's mines, this prodigious half billion carat overhang of diamonds must be prevented from ever being put on the market. The moment a significant portion of the public began selling diamonds from this inventory, the price of diamonds could not be sustained. For the diamond invention to survive, the public must be psychologically inhibited from ever parting with their diamonds.

In developing a strategy for De Beers in 1953, N. W. Ayer noted: "Diamonds do not wear out and are not consumed. New diamonds add to the existing supply in trade channels and in the possession of the public. In our opinion old diamonds are in 'safe hands' only when widely dispersed and held by individuals as cherished possessions valued far above their market price." The advertising agency's basic assignment was to make women value diamonds as permanent possessions, not for their actual worth on the market. It set out to accomplish this task by attempting through subtly designed advertisements to foster a sentimental attachment to diamonds which would make it difficult for a woman to give them up. Women were induced to think of their diamonds as their "best friends." As far as De Beers and N. W. Ayer were concerned, "safe hands" belonged to those women psychologically conditioned never to sell their diamonds.

This conditioning could not be attained solely by placing advertisements in magazines. The diamond-holding public, which included individuals who inherit diamonds, had to remain convinced that diamonds retained their monetary value. If they saw price fluctuations in the diamond market and attempted to dispose of them to take advantage of these changing prices, the retail market would become chaotic. It was therefore essential that at least the illusion of price stability be maintained.

The extremely delicate positioning of the "overhang" provides one of the main rationalizations for the cartel arrangement. Harry Oppenheimer explained the unique situation of diamonds in the following terms: "A degree of control is necessary for the well being of the industry, not because production is excessive or demand is falling, but simply because wide fluctuations in price, which have,

rightly or wrongly, been accepted as normal in the case of most raw materials, would be destructive of public confidence in the case of a pure luxury such as gem diamonds, of which large stocks are held in the form of jewelry by the general public.” During the periods when the production from the mines temporarily exceeds the consumption of diamonds, which is determined mainly by the number of impending marriages in the United States and Japan, the cartel can preserve the vital illusion of price stability by either cutting back the distribution of diamonds at its London sites or by itself buying back diamonds at the wholesale level. The underlying assumption is that as long as the general public never sees the price of diamonds fall, they will not become nervous and begin selling the hundreds of millions of carats worth of diamonds that they hold from prior production. If this overhang ever reached the market, even De Beers and all the Oppenheimer resources could not prevent the price of diamonds from plummeting.

Before the advent of the twentieth century and the mass marketing of diamonds, the “overhang,” though it existed, was far less of an imminent danger. Diamonds were then considered to be the almost exclusive possession of the aristocrats and wealthy elite, who were not expected to precipitously sell their jewels—except under the direst circumstances. In times of revolution, however, this stock did threaten to come cascading onto the market. When the Czar of Russia was deposed in 1917, the Bolsheviks announced that they were selling the mass of diamonds that his family had accumulated over the centuries. The fear that this stockpile of diamonds would come onto the market depressed world diamond prices for over a year. Then Solly Joel, the nephew and heir of Barney Barnato, who controlled the diamond syndicate in London, offered the Bolsheviks one quarter million

pounds for the entire hoard sight unseen. The Bolsheviks, desperately in need of cash to finance their revolution, accepted the offer, and delivered the diamonds in fourteen cigar boxes to London. Joel then assured the other diamond merchants that he would keep these diamonds off the market for years, and panic subsided.

With the bulk of the diamonds in the hands of the general public, the problem of the overhang became much more difficult to handle. When the demand for diamonds almost completely abated after the crash of 1929, De Beers shut down the supply of diamonds by closing its mines and buying the production of independent mines for its stockpile in London. It could not, however, prevent diamonds from the overhang seeping into the market. Prices for small gems fell to \$5 a carat. De Beers, already heavily in debt, continued through the 1930s to borrow money to buy back as many of these diamonds as it could absorb. But despite all these efforts, enough of the overhang came onto the market to make it impossible for jewelers to buy back diamonds. Public confidence in diamonds as a store of value was nearly destroyed, especially in Europe, and it required more than a generation before diamonds were again to reach their 1929 price level.

In the 1960s, the overhang again threatened to pour onto the market when the Soviet Union began to sell its polished diamonds. De Beers and its allies now no longer controlled the diamond supply. De Beers realized that open competition with the Russians would inevitably lead to “price fluctuations,” as Harry Oppenheimer gingerly put it. This, in turn, would undoubtedly weaken the public’s carefully cultivated confidence in the value of diamonds. Since Oppenheimer assumed that neither party could afford risking the destruction of the diamond invention, he offered the Soviets a straightforward deal:

“a single channel” for controlling the world supply of diamonds. In accepting this arrangement, the Russians became partners in the cartel, and co-protectors of the diamond invention. De Beers then devised the “eternity ring,” made up of hundreds of tiny Soviet-sized diamonds, which could be sold to an entirely new market of married women. The advertising campaign designed by N. W. Ayer was based on the theme of recaptured love. Again, sentiments were born out of necessity: American wives received a snake-like ring of miniature diamonds because of the needs of a South African corporation to accommodate the Communist Russia.

As the flow of Soviet diamonds continued into London at an ever-increasing rate, De Beers strategists came to the conclusion that this production could not be entirely absorbed by “eternity rings” or other new concepts in jewelry. They began looking for diamond markets for miniature diamonds outside the confines of the United States. Even though they succeeded beyond their wildest expectation in creating an instant diamond “tradition” in Japan, they were unable to create similar traditions in Brazil, Germany, Austria, or Italy. Despite the cost involved in absorbing this hoard of Soviet diamonds each year, De Beers prevented, at least temporarily, the Soviet Union from taking any precipitous actions that might cause the diamond overhang to start sliding down onto the market.

Another threat came in 1977. Sir Philip Oppenheimer and other De Beers executives became concerned about the buildup of Israeli stockpiles of uncut diamonds in Tel Aviv. Most of these diamonds had been pledged as collateral for loans with which the dealers bought still more diamonds. The Israeli banks, who had lent nearly one-third of all of Israel’s foreign exchange on the diamonds,

began asking the dealers to repay the loans. To do this, however, dealers would have to sell their diamonds, which could cause an abrupt drop in the price. And if the price began dropping, the banks themselves might be forced to liquidate the remaining stockpiles of diamonds, causing the sort of panic in the diamond market that could conceivably unsettle the overhang.

After establishing liaisons with the Israeli banks, De Beers executives worked out what one of its chief brokers termed “a billion dollar squeeze play.” First, De Beers reduced the number of diamonds provided to the Israeli dealers at the London sights. Then, through a special surcharge, De Beers actually increased the price the dealers had to pay. To get the cash for these diamonds, the latter were forced to reduce their inventories. Meanwhile, De Beers’ publicity department churned out a series of press releases about new surcharges and rising prices that distracted attention from the fluctuation in wholesale prices. Before the year ended, according to *Jewelers’ Circular Keystone*, about 350 Israeli dealers, unable to repay their loans, were forced into bankruptcy. The wholesale price, cushioned by De Beers’ buying the Israeli operations, wavered but did not collapse. By 1979, stockpile had been successfully dispersed.

The most serious threat to the stability of the diamond overhang came in the 1980s from the sale of “investment” diamonds to speculators in the United States. De Beers had methodically nurtured the idea in America that diamonds were not subject to the vagaries of price that affected other consumer luxuries. To maintain this illusion in the public’s mind, De Beers made it a sine qua non condition of its marketing strategy that retail prices should never fall. Price competition between major retailers of diamonds

was prohibited by the rules of the game prices. *Jewelers' Circular Keystone*, which interviewed dozens of leading retailers in 1979, explained: "If the giant retailers ever declared a predatory price war on 'mom and pop' competitors and each other, they could destroy the image of diamonds as a commodity that always appreciates in value...So a tacit unwritten agreement with De Beers forbids such privileged retailers from engaging in predatory price wars." Under this system, nationwide Jewelry chains, though they get their diamonds either directly from De Beers or a De Beers sight-holder at a lower price, do not attempt to undercut the small jewelry shop (which acquires its diamonds on consignments at much higher prices). What varies is the profit and markup, not the retail price. As long as individuals do not attempt to resell their diamonds and thereby discover the enormous difference in markups, or "key-stones," as they are called in the trade, it is possible to retain the appearance of stable and gradually increasing prices.

The situation radically changed when the more unsavory sales organizations began selling millions of carats of "investment" diamonds to men who had no sentimental attachment to the diamonds themselves and acquired them solely for the purpose of reselling them at a higher price. They were not even mounted as jewelry. By 1980, it was estimated that American investors had paid more than a billion dollars for these diamonds. Moreover, many of the companies that had sold the diamonds with the guarantee of a "buy-back" at a fixed price had either gone bankrupt or simply closed their offices and disappeared.

The diamond cartel managed to absorb or get control over these private stockpiles to prevent them from cascading onto the market and

unhinging the entire overhang. If they had not, the illusion would shatter. As one dealer explained, "Investment diamonds are bought for \$30,000 a carat, not because any women want to wear them on their fingers, but because the investor believes they will be worth \$50,000 a carat. He may borrow heavily to finance his investment. When the price begins to decline, everyone will try to sell their diamonds at once. In the end, of course, there will be no buyers for diamonds at \$30,000. At this point, there will be a stampede to sell investment diamonds, and the newspapers will begin writing stories about the great diamond crash." When women read about a diamond crash, some might attempt to sell their own, but find few buyers. At that point, people will realize that diamonds are not forever.

Whether this pessimistic scenario ever unfolds remains to be seen. De Beers has billions of dollars of its cash reserves to buy back diamonds. Nevertheless, with new diamond mines in Australia and Canada coming on stream, the time is past when De Beers can manipulate prices merely through the expedient of shutting down mines.

The diamond invention is neither eternal nor self-perpetuating. It survived for the past half century because two critical conditions were satisfied: the production of diamonds from the world's mines was kept in balance with world consumption; and the public refrained from attempting to sell its inventory back onto the market. De Beers satisfied the first of these conditions by owning and controlling the major sources of diamonds and the second of these conditions by fostering the illusion in the public's mind that diamonds are forever. Both achievements may prove to be temporary phenomena. The diamond craze of the twentieth century could end as abruptly as the tulip mania of the eighteenth century. Under

these circumstances, the diamond invention will disintegrate and be remembered only as a historical curiosity, as brilliant in its way as the glittering, brittle, little stones it once made so valuable.

STATE OF THE UNION

(The Future of Diamonds)

As I have written before, the diamond industry is going through a dramatic evolution.

- ♦ Diamond production has been declining since 2005; the first time in over 25 years.
- ♦ September 10, 2005, DeBeers shut down their last three underground mines.
- ♦ Of 170 diamond companies globally, less than 18 are actually producing.
- ♦ Diamond inventories held by DeBeers and other mining companies that totaled over \$22 billion US just a few years ago were down to \$3-4 billion in 2005. As of 2008, they are gone!
- ♦ Since 2005, Rio Tintos' Argyle mine in Western Australia's Kimberly region, the world's largest, has left \$30 billion US of demand unfulfilled. Quite simply, one out of every three orders for a diamond is not filled—and it's going to get worse. By 2012 Canada's Ekati mine (run by BHP Billiton) is predicted depleted; Rio's Diavik mine in Canada is next and the world's largest, the Argyle mine, will be exhausted in the next decade even with a billion dollar overhaul.

Botswana, which produces approximately one out of every four gem quality diamonds, can't be expected to carry the load even though they have upped their production by 22% in 2007. With

booming economies in China and India, the world demand for diamonds is at a “tipping point.” In only the last decade China has tripled their jewelry purchases. SOLD OUT is going to be a familiar phrase the public is going to have to deal with when they go looking for a non-commercial, gem quality diamond. Of the average 130 million carats sold each year, only 2.6 million (that’s 2%) are non-commercial. Non-commercial is defined as a diamond that is 100% natural, white, eye clean, well proportioned, and fully bondable. The current “cut rate” (distribution of commercial to non-commercial diamonds) is 49 to 1. For every good diamond that is sold in the U.S. there are 49 crummy (commercial) ones. The average resale value of a commercial grade diamond is 19.7% of the original dollars paid; the average resale value of a non-commercial grade diamond is 85%—worst case, 60%; best case, 100% or better.

To make matters worse, “Brick and Mortar” stores and online consolidators are taking advantage of the shortages by offering “Cert pretty” diamonds (these are diamonds that have lab grading reports by labs that guarantee nothing and appear to be attractive but are actually only commercial grade “seconds”). Also compounding the problem for the public are the bribery scandals at the labs (see page 162 for details), making it increasingly difficult for the consumer to purchase the real thing vs. a bluff diamond.

Besides the sentimental attraction to a diamond there has to be an actual dollar value or the whole industry will implode and the diamond engagement ring may become a thing of the past, like \$.99 a gallon gas. The new reality, says world-renowned geologist Dr. Charles Fibke, is that diamonds could double in value by 2010.

However, diamonds have never been considered an investment instrument after one billion dollars was lost by consumers buying diamonds as a hedge against inflation in 1980. But, it appears, some lessons aren't easily learned. For anyone who has been paying attention, you would have noticed that large, investment grade (IF, VVS1, VVS2, and D, E, F) diamonds have been skyrocketing in prices! As of May 2008, a 5ct D, IF is selling for over 3/4 of a million dollars. That's about double what it was just a few years ago. However, we don't have to look hard to see other commodities mimicking the same exponential, unrealistic growth. Oil, gold, platinum, rice, wheat, etc... everything is up! Way up! The question is this: is this the new reality or have we fallen down the rabbit hole? The prices people are paying for some diamonds is reflecting a market mania. The current diamond climate is creating a craze very similar to the tulip mania in the early 1600s in Amsterdam. Believe it or not, back then, at the height of the mania, a tulip went for \$76,000 a bulb! Six weeks after smart money got out, the price had fallen to a dollar!

By the middle of 2009, there are going to be a lot of sad people sitting on a lot of big investment grade diamonds that will be worth a fraction of what they paid. My advice is this: stay away from 2ct+ investment grade diamonds unless you are willing to be a statistic in the great diamond crash of 2009. If you are going to buy a 2ct non-commercial rock that isn't investment grade, you will still have to pay at least 20% more than what its cash liquidity is worth! That said, if the world ever wakes up and realizes that nobody really needs a diamond and everyone goes to the market to sell at the same time, tulips and diamonds will have more in common than being pretty; they'll both be a cautionary tale.

Solution

Since diamonds were discovered over 2000 years ago in India, the world has produced over 380 tons of diamonds. If I had to take a guess, I would estimate that there are over one billion carats of diamonds in the hands of consumers. That is over 100 times the annual consumption gobbled up for weddings, anniversaries, birthdays, and even Super Bowl rings. These diamonds haven't left the planet; they lie dormant in the private sector and represent the largest stockpile of diamonds that could be harvested again.

If the diamond tradition is going to continue to work, the public is going to have to allow diamond companies access to these gems and the public will have to understand a "used" diamond is better than no diamond at all. While this may be the last generation to own a diamond cut to order, it doesn't have to be the last to possess one. Patek Phillip Watch Company says that nobody truly owns one of their watches, that they just hold on to it for the next generation. If we can adopt the same philosophy with diamonds, we'll be alright.

Want to Know More?

My goal was to cover all you need to know in one medium sized book but at best, I've covered the highlights. All the press from industry scandals, rough diamond shortages, giant diamond discoveries, doomsday predictions on availability, no to mention DeBeers' class action \$295 million lawsuit, would fill another book. Instead, all up-to-the-minute news that couldn't make the book is on my website at www.TheDiamondGuy.com.

Appendix A

The Alphabet Rules

L-M-N-O-P

Recently I appeared on a PBS special about diamonds, and the producer asked me if I could come up with four or five easy-to-remember rules for diamond shopping. So I came up with the Alphabet Rules, a quick and simple consumer protection guide that will help even a novice avoid getting ripped off.

L = Loose Always look at loose, not mounted, diamonds.
The setting may hide flaws.

M = Magnify Always look at your diamond through a jeweler's loupe or a microscope, which will reveal imperfections invisible to the naked eye.

N = Negotiate Most retailers dramatically increase prices.
Never pay the sticker price unless you've shopped around and you know they're already giving you a wholesale price.

O = Opinion Always insist that the final sale be contingent upon the opinion of an independent appraiser. If the appraiser agrees you've done well, the sale will be final.

P = Plot

Always have the diamond's flaws plotted on a drawing of the stone. That way you'll be able to identify your diamond by the location of its blemishes and inclusions.

Appendix B

Carat Size Charts

Carat Weight	Shapes		
.50			
.75			
1.00			
1.25			
1.50			
2.00			
2.50			
3.00			

Carat Weight	Shapes		
4.00			
5.00			

Carat Weight	Round	Carat Weight	Round
1/150	◦	.03	◦
1/100	◦	.05	◦
1/70	◦	.07	◦
1/50	◦	.10	◯
1/40	◯	.15	◯
1/33	◯	.20	◯
1/25	◯		

Carat Weight	Round
.25	☐
.33	☐
.40	☐
.50	☐
.65	☐
.75	☐
.85	☐
1.00	☐
1.25	☐
1.50	☐

Appendix C

Glossary of Terms

Speaking the Jeweler's Language

<i>Annealing</i>	The process of treating a diamond with high temperature and high pressure (HTHP) to remove nitrogen, boron, and other impurities that discolor a diamond. Also known as baking or heating.
<i>Blemish</i>	A flaw on the exterior of a diamond, such as a scratch, abrasion, nick, or chip.
<i>Blue-white</i>	Refers to a diamond that glows (fluoresces) blue under ultraviolet light.
<i>Bonded</i>	A bonded diamond is a natural diamond that is fully warranted by the jeweler and covers breakage, buy back, and exchange.
<i>Brilliance</i>	White light reflected back from a diamond.
<i>Brilliant</i>	A round diamond with fifty-eight facets.
<i>Carat</i>	A unit of weight, equal to two hundred milligrams. In ancient times one carat was equal to one carob bean or four grains of rice.
<i>Carbon</i>	The raw material of which diamonds are made. Occasionally a diamond will contain tiny pockets of carbon which can be seen as black spots within the stone.
<i>Cloud</i>	A cluster of small inclusions, or internal flaws, within a diamond.

<i>Color Matched™</i>	The process of taking fancy-colored diamonds and intensifying and equalizing the color through neutron bombardment in order to match neighboring diamonds.
<i>Crown</i>	The top of a diamond. Everything above the girdle.
<i>Culet</i>	The bottom facet of a diamond, usually very small.
<i>Dispersion</i>	Colored light reflected from within a diamond; also called "fire."
<i>Eye-clean</i>	Refers to a diamond that has no inclusions or blemishes visible to the naked eye.
<i>Facet</i>	A polished surface on a diamond. A round, full-cut diamond usually has fifty-eight facets.
<i>Flagship</i>	Standard and box radiants that abide by the 65/65.
<i>Fluorescence</i>	A diamond's reaction to ultraviolet (UV) light, causing the stone to glow in various colors.
<i>Full-cut</i>	A diamond with fifty-eight or more facets.
<i>Gemologist</i>	A person who has been trained and accredited in diamonds and colored stones.
<i>GIA</i>	Gemological Institute of America, an independent, non-profit organization which sets and upholds standards for grading diamonds and other precious stones.
<i>Girdle</i>	The narrow, unpolished or faceted band around the widest part of the diamond; the girdle separates the crown and the pavilion of the stone.
<i>Head</i>	The prongs which hold a diamond in its setting.
<i>Inclusion</i>	A flaw within a diamond, such as carbon spots or fractures.

<i>Karat</i>	The measure of the purity of gold; 24-karat being pure gold. Jewelry is usually made from 18K and 14K gold, which contain other metals for strength.
<i>Laser-drilled</i>	A diamond that has been treated with a laser to remove carbon spots or other inclusions.
<i>Loupe</i>	A small magnifying glass used to view gemstones.
<i>Off-make</i>	A poorly proportioned diamond.
<i>Pavé</i>	A method of setting diamonds very closely together, giving the illusion of one or more larger diamonds.
<i>Pavilion</i>	The bottom of a diamond; everything below the diamond's girdle.
<i>Point</i>	One-hundredth of a carat. A diamond weighing one-and-a-half carats weighs one hundred fifty points.
<i>Semi-mount</i>	A setting which is complete except for the main stone, which will be selected separately.
<i>Single-cut</i>	A diamond with only sixteen or seventeen facets.
<i>Sparkle</i>	The liveliness of the light reflecting from a diamond; the sum of the brilliance and the fire (dispersion).
<i>Tiffany</i>	A simple, elegant 2–3mm ring setting with a head that holds a single diamond.

Rock Slang Dictionary

In the jewelry industry we throw around a lot of slang terms like, “chubbies,” “four grainers,” “off-makes,” and “glow worms,” to name a few. Some of this slang terminology is derived from decades of usage and other terms are technically correct definitions to describe a diamond like the “65/65 Rule.” Here, I’ve tried to give

definitions of the most popular slang terms that jewelers, dealers, and cutters have been using for years. Hopefully, it will make it a little easier for the consumer to understand the secret language we jewelers use on a day to day basis.

<i>65/65 Rule</i>	A square or rectangular diamond whose table and total depth percentage does not exceed 65 percent of the diamond's width.
<i>As Is</i>	A diamond that comes with no bonding or warranties. Its sale is final, no exceptions after the buyer takes possession from the vendor.
<i>Back Alley</i>	A diamond that has had at least one previous owner and is being purchased on the secondary market. Example: Joe has purchased a back alley diamond. Translation: Joe has bought a used diamond.
<i>Bananas</i>	A marquise shaped diamond whose length to width ratio exceeds 2.25 to 1. The diamond appears to have been stretched to look like a banana.
<i>Big Brother</i>	Diamond Trading Company, a.k.a. DeBeers.
<i>Bling Bling</i>	A sparkly, valuable diamond or diamond jewelry.
<i>Blue Booked</i>	The dollar value placed on a diamond at time of purchase that the seller agrees to purchase the diamond back at some time in the future.
<i>Bonded</i>	Synonymous with warranty. All diamonds are either fully bonded, partially bonded, or not bonded. A new subcategory that has been popularized of late is the fully-bonded diamond with an expiration date (i.e. a limited lifetime warranty).

	The diamond is warranted not for the life of the diamond or person, but for the life of the warranty itself. Most of these bogus warranty packages (breakage guarantee, buyback, exchange) run ninety days. A true fully bonded diamond has no expiration date or restocking fee.
<i>Canaries</i>	A canary diamond is yellow in color due to the fact it is saturated with nitrogen. The four main categories of canaries are light fancy, fancy, intense fancy, and vivid.
<i>Chubbies</i>	Diamonds that are poorly proportioned. Typically, diamonds that have oversized girdles or deep pavilions that cause the diamonds to appear smaller than they should when viewed from the top for any given weight.
<i>Cognac</i>	A brown diamond dramatized as attractive and valuable with an appealing title.
<i>Commercial Grade</i>	Diamonds that are recovered in bulk form and distributed for the masses primarily through online consolidators and chain stores. These goods are typically poor quality. They come with non-guaranteed lab reports that offer little or no warranties and depreciate dramatically after these warranties expire.
<i>Consolidator</i>	A clearing house for commercial grade, off makes, or poor quality diamonds. These seconds are sold both online and in brick-and-mortar locations.
<i>Decorate the Tree</i>	How the facets are arranged on a diamond.

<i>Doublet</i>	A diamond or gemstone that is made of two pieces. Example: The crown is diamond but it is epoxied to a pavilion made out of cubic zirconia.
<i>Duping</i>	The con of selling a diamond with a Lab Grading Report that does not match the diamond being sold but rather matches a diamond that was shown loose to make the initial sale and later switched for the understudy.
<i>Estate</i>	A diamond or piece of jewelry that has been previously owned and is up for sale.
<i>Fancies</i>	Has two meanings. 1.) Any shape other than a round diamond or 2.) Any diamond of any particular color of the rainbow but white. These would include blues, pinks, violets, and yellows. The most famous fancy in the world is the Hope Diamond, which is steel blue.
<i>Fisheye</i>	The circular, centrally dark light pattern that appears in the table of a round diamond when it is cut shallow. It derives its nickname due to the fact that the light leakage through the pavilion creates the look from the crown of that of a fish's eye.
<i>Footballs</i>	The opposite of a banana shape marquise. A football is a marquise that closely resembles the shape of a football. A marquise could be described as a football if its length to width ratio is less than 1.75 to 1.
<i>Fully Warranted</i>	Can be synonymous with fully bonded. A diamond that has a breakage, buyback, exchange, and market crash guarantee. When

	it comes with no expiration dates, it is considered fully bonded, otherwise it is a limited lifetime warranty.
<i>Glow Worms</i>	A diamond that exhibits fluorescence in the presence of ultraviolet light. Fluorescent diamonds are 20 percent less valuable than non-fluorescent diamonds.
<i>Grade Bumping</i>	A diamond whose clarity or color grade has been raised by one or more grades by a lab, appraiser, or salesman to enhance the value of the diamond.
<i>Grainers</i>	In the orient, diamonds were weighed using grains of rice. (4 grains = 1/5 of a gram which = a 1ct diamond on a counter balance) Example: a 6 grainer = 1 1/2ct diamond
<i>Grandfather</i>	An old diamond (Old Miners, Old European) or a diamond whose paperwork is outdated. A Lab Grading Report is considered a grandfather when it is over six months old and an appraisal is considered a grandfather at two years old.
<i>Guild Store</i>	A Guild Store is slang for a premium jewelry store. For example, Tiffany's, Fred's Joalliers, VanCleef & Arpels, Harry Winston, or Cartier and other top tier retailers.
<i>Hot Rocks</i>	Diamonds whose country of origin (South Africa, Sierra Leon, etc.) is linked to wars and oppression fueled with the funds acquired from the sale or barter of diamonds.
<i>Illusion Setting</i>	The placement of a diamond into a mirrored high polished plate of metal to give the illusion

	that the diamond is larger than it appears from a distance.
<i>Laser Drilled</i>	A diamond whose inclusions have been drilled out with a laser.
<i>Melee</i>	Small diamonds, usually used to describe diamonds under 1/4ct in size.
<i>Non-Commercial Grade</i>	Top two percent of diamonds that hold their value and/or appreciate over time. These goods are not found in bulk form and are distributed to guild stores and bonded jewelers. They come with guaranteed certificates (fully bonded appraisals) and unconditional buyback and exchange policies.
<i>Off-makes</i>	Generally speaking, a poorly proportioned diamond that is either cut too shallow, too deep, or warped. All Class III and Class IV cut diamonds are considered off-makes.
<i>Old European</i>	A round diamond popularly cut in the early 1900s for the public from European cutting houses. These diamonds had the same characteristics as an Old Miners (small table, high crown, open culet) with the exception that they were not squarish round but round in diameter.
<i>Old Miners</i>	A squarish round diamond typically seventy-five or more years old, whose facet arrangement is highlighted by a small table, high crown, and open culet. Old Miners are also referred to as heavy makes.
<i>Orphan</i>	A diamond that is being sold at an auction and has no current owner that is wearing it.

	Orphan can also be used to describe a diamond that does have an owner but the owner no longer wears it. Example: Mary owns a beautiful 2ct orphaned diamond. She should rescue it from her safety deposit box.
<i>Padded</i>	See spreads and chubbies. The cutter kept extra weight on the stone that does not optimize the optics of the diamond. The goal is to increase revenue.
<i>P.B.'s</i>	Not peanut butter, but "Partially Bonded." A diamond with some warranties.
<i>Pegasus, Monarch, or Bellataire</i>	Brand names for annealed (heated, baked) diamonds introduced into the market by General Electric and Lazare Kaplan in 1998.
<i>Pick Pocketing</i>	A salesman has been said to be "pick pocketing" a customer when he uses the two month salary guideline in order to make a larger sale.
<i>Plot</i>	The mapping of inclusions and blemishes on a paper diagram of the facet arrangement of any given diamond for identification purposes. Similar to a fingerprint.
<i>River Rock</i>	A diamond that is so heavily included (I2 and I3s) that they deserve to be thrown in the river. River rock is synonymous with a bad diamond of little or no value.
<i>Rovals</i>	A poorly proportioned oval diamond that has a length to width ratio under 1.2 to 1 causing the diamond to look not quite round and not quite oval. Hence "Roval."

<i>Sandbagger</i>	An appraiser who misgrades an appraisal to sabotage a sale in order to recommend that the client purchase somewhere else.
<i>Single Cuts</i>	Round diamonds that have sixteen or seventeen facets.
<i>Spreads</i>	A diamond that is purposely cut wide to give the impression that the diamond is larger than its corresponding weight when viewed from the top. All spreads are also shallow with less than 38 percent light return.
<i>Warped</i>	A diamond whose crown height percentage plus maximum girdle thickness percentage plus pavilion depth percentage doesn't equal the total depth percentage within .5 percent.

Appendix D

Diamond Guy™ Q & A

I have picked a few of my favorite questions and thought I would share them with you here. If you have any questions of your own, I can be reached at www.thediamondguy.com or through my HelpLine, 1-800-275-4047.

Subject: Cleaning a diamond

What is the proper way to clean a diamond? I use alcohol sometimes and other times I use Efferdent denture cleaner. Can either of these damage my diamonds?

Answer

I recommend cleaning your ring daily. There is no better home care system than sudsing ammonia and a good ultrasonic cleaner. Let the ring soak, then use a brush to get to any hard-to-reach crevices. Ultrasonic machines cost between \$25–\$50 and are available in most major department stores.

Subject: Tiffany setting

What is a Tiffany setting?

Answer

A Tiffany setting is generally a 2–2 1/2 mm band with a 4- or 6-prong head. No side diamonds.

Subject: Is it really a diamond?

I heard from someone in a chat room of a laboratory that “creates its own diamonds” by “speeding up” the coal-to-diamond process. I heard of someone purchasing a 2.5 carat stone for \$500 from this place. The stones are called diamond essence, I believe. Is this too good to be true, or are these legitimate diamonds?

Answer

If it were true, I'd be out of business! The cost for a good quality 2 1/2 ct diamond is around \$31,460. This “diamond essence” is a simulant. Translation: not a man-made diamond, just cubic zirconia that kind of looks like a diamond! The correct price for a 2.5 ct “diamond essence” should be \$1.00 per carat or \$2.50, not \$500. Wow, what a mark up!

Subject: Diamond cuts

What is meant by a miner's cut?

Answer

The miner's cut or old miner's cut was the first predecessor to what is now called the American Ideal cut or the round diamond. Its shape was a cross between a round and a square. It was more like a square with rounded corners, a high crown, and a deep pavilion, with the traditionally chopped off culet (the culet is the facet on the bottom of the stone). Diamond cutting has come a long way since the old miner's cuts of the early 1900s, and it is a good thing too. Old miner's cuts were nothing more than an athlete fifty pounds overweight. The modern day cuts are more durable, beautiful, and valuable.

Subject: Inclusions

My diamond has a small visible (with the naked eye) inclusion towards the base. You can see it only from looking up through the bottom. How does this affect the value?

Answer

There are two ways to describe any diamond: commercial or non-commercial. Commercial represents the average, low-quality diamonds that are generally sold. They are diamonds with one or more of the following faults: not eye-clean, tinted yellow, poorly proportioned, treated, or fluorescent. Non-commercial grades are eye-clean, white, well-proportioned, non-treated, and non-fluorescent. The diamond you're describing, due to the fact that the inclusion can be seen without magnification, would in most cases classify the diamond in the commercial category. Unfortunately, this is a bad thing. With approximately 97.5 percent of all diamonds sold being commercial, you're probably holding onto a diamond that is not extremely rare. And with that lack of uniqueness comes the following problems:

1. It will appreciate in value little or not at all
2. It probably has no trade-in value
3. Its cash liquidation value is approximately ten cents on the dollar

A non-commercial grade, natural diamond with SI1, I color, Class II, no fluorescence, at a minimum will:

1. Appreciate in value by an average of 6 percent per year
2. Have trade-in capabilities
3. Have a cash liquidation value (or dump value) of sixty to eighty cents on the dollar

If it's possible to trade in or get a new diamond, I would recommend it.

Subject: Natural/Treated Diamonds

In your responses, you occasionally refer to a diamond as being “natural” as opposed to being “treated.” I am not familiar with what that means. My assumption is of some type of bleaching process to aid the color of a diamond. Could you please explain the meanings of those terms and what the effect of “treating” a diamond has on its quality and value.

Answer

Approximately one out of every three diamonds is treated after the faceting process. By treated I’m referring to laser-drilled, fracture-filled, heat-treated, coated, and irradiated. Treated diamonds have very poor to no secondary market value and in many cases are not structurally sound. A non-commercial grade diamond that is natural could expect to appreciate 6 percent to 8 percent per year. Treated diamonds do not appreciate.

Subject: Natural/Treated Diamonds

How can one ensure that a diamond one is looking at has not been treated?

Answer

With the exception of baked diamonds (e.g. Pegasus), the only way to be sure that you are getting a natural diamond is to get it in writing at the point of purchase. Then have it verified by an independent appraiser. The only way to ensure against a baked diamond is with a bonding document.

Subject: Basic Question

- 1) How much does it cost to get a GIA lab grading report?
- 2) How long does it take?
- 3) What is the best way to ship and insure a diamond in the mail?

- 4) Will they also point out any sort of treatment, if any, that's been done to the stone?

Answer

- 1) The price of a GIA lab grading report is based on the size of the diamond. The average cost for a GIA lab grading report is around \$177.
- 2) They say four to five business days, but it is more like two weeks.
- 3) Registered mail is your best choice.
- 4) If the diamond is treated, GIA should catch it.

Subject: Diamond Color Grades

I read somewhere about diamonds being referred to as white but still having further divisions: Blue White, Fine White, White, Commercial White, Top Silver Cape, and Silver Cape. It said that any of these diamonds could all be referred to as “white” by a jeweler. Is this true? What is the difference in these diamonds?

Answer

The terms you've listed are called “old school terminology.” No one who is trying to be straight with you should use these terms. Only some places in Europe still use them.

Blue White refers to D, E, F colors. Fine White refers to G, H. White refers to I, J. Commercial white and lower are slightly tinted yellow diamonds. Blue White can also refer to a fluorescent diamond.

Subject: Tiffany's

I wandered into Tiffany's in Chicago the other day and was surprised to find that they don't sell loose stones—only the finished product! I took a look at their little booklet that describes everything, and I can't believe people are buying these expensive rings already set! Is it because of the name and that they are historically known for quality?

I've been really learning a lot about diamonds and have been doing a lot of research—I should be able to get a fine diamond and setting just as good as the Tiffany's on my own, right?

Also, I never asked my jeweler about the polish—should I? What should I be looking for? Is there a way to check it against what the jeweler's telling me? Is this going to hugely devalue the ring if it's not right?

Answer

When buying a diamond, everyone generally has two main concerns: Getting the right diamond and getting it at the right price. While satisfying any one of these isn't difficult, getting both takes a lot of time, patience, and work. The high-end stores like Tiffany's, Cartier, Harry Winston, etc., cater to one type of client—a person who wants quality but does not have the time to shop around to get it. Tiffany's customers feel that their time is extremely valuable. They feel that the price difference between buying at Tiffany's quickly and spending hours to find the same thing at a lower price are equal since they can take the time they would have spent shopping and use it to make money.

Tiffany's is practically beyond reproach. They represent quality with a capital "Q." But is it possible to get the same quality for as much as 1/2 to 1/3 the price? Absolutely! It just takes work!

In regards to polish, I can't recall ever seeing a well-proportioned diamond with bad polish. Don't worry about it.

Subject: Place of Purchase

I want to purchase an upgrade diamond for my wife. I'm on a budget. However, I still want to buy the biggest, clearest diamond for my buck. Can you recommend a vendor that doesn't mark up extremely high?

Answer

Look in your Yellow Pages under Diamonds; Wholesale. Their average markup is 10 percent to 15 percent above their cost. They should be cheaper than retail outlets.

Subject: Lab grading report/appraisal or both?

I have a trusted diamond dealer whom other members of my family have bought from before. He told me that he can get a diamond with an appraisal, but it won't have a lab grading report. Is it OK to not have a lab grading report? What is it REALLY for? Is it necessary?

Answer

A lab grading report is nothing more than an opinion. When you consider that for every one thousand diamonds that are sold in the United States, less than twenty-five would classify as good or non-commercial, do you think your jeweler is getting you one of those elusive gems? If so, I guess, don't worry about it. But even if you don't get a lab grading report, you need to get an independent appraisal. Lab grading reports are definitely required with investment grade diamonds or fancy colored diamonds.

Subject: Lab grading report/appraisal or both?

If a diamond comes with a lab grading report, should it be more expensive than a diamond that is of the same quality and grading but does not come with a lab grading report?

Answer

Diamonds with a lab grading report should not cost more than diamonds without one. If the jeweler is working very tightly on the price of the stone, there is an argument (small) that the diamond would cost approximately \$177 more since that is the average cost of the typical lab grading report.

Subject: Basic Questions

1. How can you tell for sure that a diamond has been laser-drilled?
In a diamond we recently purchased can be seen a straight line that I've been told is a laser drill mark. Two jewelers told me this, and I saw it myself. Then, just to complicate things, another jeweler told me he didn't think that's what it was but that it was a natural inclusion. How can I be sure? I've heard everything from looking for "orange light" to putting it under high heat. Can one be sure?
2. Is it required by law that it be disclosed if a diamond has been "laser-drilled?"
3. Why would a diamond lose its sparkle over the years?
4. Will I get the same general appraisal from several qualified appraisers? In other words, is one appraisal enough?

Answer

1. Your best shot is to go to one of the labs.
2. Yes, it is now required by law that it be disclosed if a diamond has been laser-drilled.
3. Improper cleaning or a poorly cut diamond that becomes abraded will cause a diamond to lose its sparkle.
4. One independent appraisal is enough.

Subject: Is the price set?

Are prices on rings from those chain jewelry stores at the mall always set? Is there any room to bargain or bring the price down? I wasn't sure if shopping for engagement rings was anything like buying a new car.

Answer

The average jewelry store in the United States charges twice what they should. No one pays sticker price. Generally, the price listed in the average store can be cut in half. Go negotiate!

Subject: Lab grading report

Does a lab grading report ever become dated?

Answer

Yes. A lab grading report must be recent (within six months) and the diamond must not have been worn since it was graded.

Subject: Jeweler Questionnaire from Book

While shopping for a diamond, one jeweler told me that they use their own scale that has been in existence since the 1940s, which they say is longer than GIA's scale. They said they would provide a chart that shows how their grading scale correlates with GIA's scale. You said to disqualify any jeweler who does not use GIA grading scale; would this be okay, or should I still disqualify the store? They were the most friendly and helpful of all that I contacted.

Also, a store told me that they specialize in "Lazare Diamonds" and they mailed me some info on them. The information says that they have higher standards for these diamonds, and they have a logo and an individual identification number specially inscribed on its circumference. It says that the inscription is visible under a 10X microscope and does not affect the clarity grade of the diamond. Is that true? Are these diamonds really better than any others? Can any jewelry store get them, or are they rare?

Answer

To question #1, disqualify the store or make all sales contingent on a lab grading report or independent appraisal. That way you will be able to see if you are getting what you really want.

Some Lazare Kaplan diamonds can be equivalent to Class I or Class II diamonds. They are very well cut. As long as the price is in line, Lazare Kaplan stones can be a good choice. Only stores that have an account with Lazare Kaplan can get their diamonds.

Subject: Four elements

On a recent interview on MSNBC, you referred to the four elements to any purchase. Can you go over those again?

Answer

In any purchase, not just diamonds, there are four factors that must be taken into consideration before purchase:

P—Price Q—Quality

S—Service W—Warranties

So, mind your Ps and Qs, but don't forget your SWs.

Let's start with price first. Everyone in this world, including jewelers, has a right to make a living and a profit. But a living and price gouging are not the same thing, which is why you have to be educated and know what a fair price is. Otherwise, you'll leave yourself open to the wolves.

In quality, it is true that beauty lies in the eyes of the beholder. But with 99 percent of the public unable to tell the difference between a cubic zirconia and a diamond, appraisals, lab grading reports, and independent evaluations can sometimes be the only things that can keep you from making a big mistake beyond knowing what to ask for. Thirdly, service. Most people don't realize that even diamonds need to have checkups every now and then, as do their settings. An annual polishing, cleaning, and tightening of your jewelry is a must. Top-notch jewelers will provide the annual checkups free of charge. Last, but not least, are warranties. It is my honest opinion that bonded diamonds are going to be prerequisites to any serious diamond buyer from now on. The president of GIA, William Boyajian, recently said in an interview that baked diamonds are the biggest threat to hit the diamond industry in the twenty-three years he's been with GIA. As long as laboratories can no longer guarantee a

diamond is 100 percent natural and untreated, a diamond without at least a buy-back policy and breakage guarantee isn't worth the setting it's in.

Subject: Round

What do you think of the following: round, one carat, 6.44 - 6.49 x 3.89 mm, depth: 60.2 percent, table: 55 percent, girdle: medium to slightly thick, culet: none, polish: VG, symmetry: G, clarity: VS1, color: D, fluorescence: none. It also has in the comments: "Additional pinpoints, internal graining, and surface graining are not shown." What does this mean?

Answer

At this point, the diamond looks "Report Pretty"—meaning that with all the data present the diamond looks good. But please remember that, just like beauty can be only skin deep, so too can a diamond be only "Report Pretty." You need to find out the crown angle, pavilion angle, crown height, and pavilion depth to make a total evaluation. As far as the extra comments, pinpoints are just inclusions the size of the head of a pin that the grader was too lazy to plot. Graining, whether it be internal or surface, is just like graining you might see in a piece of wood. It is nothing to worry about.

Subject: Total depth does not equal crown + pavilion + girdle

I have done quite a bit of diamond shopping, and I have found that when I add up the pavilion depth plus crown height plus girdle (produced from a megascope report), the total is about 1–2 percent off of the total depth listed on the lab grading report for diamonds from what seem to be reputable jewelers. For example, a (EGL lab graded) G, VS1, 1.02-carat, total depth: 59.8, crown

height: 14.5, pavilion: 42.6, girdle: 1.1. When I add the last three numbers, the total is 58.2, a 1.6 percent difference from what is listed on the total depth. When I brought this up, the dealer seemed just as perplexed as I because those were the printed numbers from his megascope report too. Is there any reason the total depth would not be exactly equal to the sum of those three measurements?

Answer

Boy, you are a sharp cookie! You are absolutely correct that they must add up! So why in God's name are they off on so many stones? There are three possible reasons. (1) The sarin or megascope machines have been calibrated to choose just the perfect crown or pavilion angle instead of a large multiple average. Then, taking the tangent of the angles, the machine calculates the crown height or pavilion depth. Now, if the crown angle and the pavilion angle that were chosen were warped angles, the rest of the data will be wrong! (2) Some graders "guesstimate" instead of actually measuring correctly. (3) Some sarin and megascope reports are scanned into a computer, altered, and reprinted. The most the totals should ever be off is one-half of 1 percent.

Subject: Bonded dealers on the Internet

Are there any fully bonded diamond dealers on the Internet?

Answer

Yes. FullyBondedDiamonds.com™ (our sister company) is up and running. They are the first online retailer to follow, to the exact letter, all the guidelines outlined in *How to Buy a Diamond*. Come on, which would you rather have, a cheesy thirty-day return policy or the security of a lifetime return? What does it say about a company that it will not buy back their own merchandise after thirty days?

I'll tell you what it says. They don't believe in their product. Go ahead and get a fully bonded diamond. Give Dee Doan (General Manager of FullyBondedDiamonds.com) a call at 800-825-2616 and tell them The Diamond Guy® sent you!

Appendix E

Getting Into Shape

A palm reader supposedly can tell you your future and numerologists say they can do the same thing by adding and subtracting the numbers of the day, month, and year you were born. Astrologers go so far as to say they can tell you who you are, where your future lies, and what you're going to have for lunch by what phase the moon was in when you were born!

According to all these mystics, who we are and why we do what we do is all predetermined by fate. All we have to do is know how to read the signs to tell us what path our lives will follow and what our final destination will be. "Yeah, right!" you're probably saying, "I am the captain of my own ship and the creator of my own destiny." Well maybe so, but how can you explain the fact that every time you check your daily astrology guide, it seems to be pretty accurate? Lucky guess? Maybe. So vague it could apply to anyone? Maybe. Or maybe it's just as simple as thought creating reality. If you are told something and you believe it, I guess it doesn't make a difference whether it's true or not. If it's true for you, even if it's just a perception, it's your reality, your truth.

Now, probably at this point (if you're still reading) you're thinking, "What the heck does this have to do with diamonds and 'Getting into Shape'?" which I know you have figured out doesn't mean

doing push-ups or jumping jacks. What we are delving into here is why women like and/or choose one shape of diamond over another. Believe it or not, what shape a woman chooses for an engagement ring tells a lot about the woman doing the wearing. After almost two decades of watching women choose different shapes and sizes, I found that certain personality types tend to gravitate toward one particular shape or another. I've also found that certain shapes tend to have a higher divorce rate than other shapes! Oh, I've got your interest now, have I? Yes, I've actually been able to graph which shapes tend to have the highest divorce rates, which ones result in the best marriages, and which ones are more likely to fool around! Am I crazy? Probably. But if you're interested in one guy's observations, here it goes. Astrologers, numerologists, palm readers, and tarot card readers step aside. (Drum roll please.) I'd like to introduce for the audience's enjoyment the wonderful world of Dia-shape-ology!

Fill out the following questionnaire and answer honestly to determine what your diamond says about you.

1. Do you have a diamond? (Circle One)
Yes No
(If no please stop taking this test.)
2. What shape diamond do you have?
3. What size diamond do you have? (Circle One)
 - A. Microscopic
 - B. Nice Size
 - C. A Boulder
 - D. I can't lift my hand from the weight.

4. How long have you had your diamond? (Circle One)
- A. Less than 2 years
 - B. 2–5 years
 - C. 5–7 years
 - D. I can't remember it's been so long.
5. Are you still with the person who gave you the diamond?
(Circle One)
- Yes No
- (If you bought it yourself, the answer will always be yes.)*
6. How often do you clean your diamond? (Circle One)
- A. Once a day
 - B. Once a week
 - C. When it gets dirty
 - D. I'm supposed to clean my diamond?
7. Pick the statement that best describes your relationship with your diamond. (Circle One)
- A. I will keep my diamond till the day I die, we are inseparable.
 - B. I will keep my diamond till the day I die unless something better comes along.

Check the following answer guide to see how you've done and determine what your diamond means to you and what it says to the world about the person you are.

Question #1: Obviously, for the purpose of this exercise, having a diamond is a prerequisite. Not to say that if you are not the owner of a diamond you are any less loved and appreciated. It just seems that way.

Question #2: Here's the meat and potatoes; the meaning of the top shapes:

Round—Congratulations! Round is the most popular, faithful, traditional, and religious. Most round-wearers chose a round for its clean lines and symmetry. The idea that a circle has no beginning and no end adds to the romance of a round. Round-wearers tend to be old-fashioned and honest with values and beliefs they would fight for. The only downside to some that choose a round is their lack of spontaneity and leadership abilities. Round-wearers tend to be more team players than team leaders. If a round-wearer is married, her main goal in keeping a long, loving relationship is to not be afraid of change.

Oval—Look, you would have gotten a round if everyone in your family, including your aunt Gertrude, didn't have one. You have all the same values of a round but there is something inside you that cries out to be different and not go with the crowd. Oval-wearers make great wives! On one side they are predictable, stable, and dependable, but every now and then they have wild hair and let loose! If not for the poor brilliancy of an oval, I believe a lot more women would be in this camp.

Pear—Where round-wearers tend to go with the crowd, pear-wearers want to create the crowd. Pear-wearers want to be different, pure and simple. If also being better comes along with the package, so be it. Pear-wearers tend to be more demanding and higher maintenance. Everything has to be just right or don't do it at all is their battle call. Pear-wearers are the third most likely to get a divorce. (Top two coming up.) Due to, in many cases, forgetting that happiness isn't always asking, "What's in it for me?" The happily married pear-wearer never

forgets that there is no I in team and applies the same standards of excellence to herself as to her partner.

Emerald Cut—Here's a tough nut to crack. Emerald-cut-wearers are old-fashioned like round-wearers, but being in the crowd or following the crowd are not the drum beats they follow. In fact, the interesting thing about emerald-cut-wearers is their lack of ambition to do anything to impress others. Not that other people's opinions don't count, it's just that they don't see themselves through the eyes of others. Emerald-cut-wearers are leaders. They are attracted to an emerald cut for its quiet elegance, its regal temperament, and bold strokes. The emerald-cut-wearer doesn't need pop to sell her diamond—that's what she's there for.

Princess & Radiants—Princess- and radiant-wearers are electric. They are fun, exciting, cutting edge, and not afraid to take chances. They live life to the fullest. Since princess and radiant are the most sparkly shapes, wearers of these rocks don't mind bringing attention to themselves. They love the spotlight. Whitney Houston, for example, is a proud wearer of a radiant. The only time princess and radiant wearers split up with their mates is if the guy can't keep up.

Heart Shape—The heart shape, a.k.a. "Black Widow" and "Three Strikes," holds the title of the least sparkly, second-highest divorce rate, and most-cheated-upon diamond in the group. (Hence the alias "Three Strikes.") A lot of analysis has gone into why this diamond and its wearer have so much trouble, but I think it can best be explained by what type of woman and couple gravitate toward the heart—pure romantics. And when I say pure romantics, I'm not

just saying soul mates, I'm talking maple syrup, knight in shining armor, Romeo and Juliet kind of romantic. Heart-shape people tend to live in fantasyland. Their motto is love conquers all, love has no restrictions, love has no boundaries. Then they get married and quickly find out that even though love, in its own little world, is perfect, life isn't. Life isn't fair or just or even-handed. Life equals change. The heart-shape-wearer tends to have a problem with this. If love is perfect, there is no need for change, and certainly no need for reality. So, when they come to the conclusion that their mate isn't perfect (he never was, nobody is) and discover pure love doesn't seem to pay the bills, they flee—into the arms of another, into another job, into another life—constantly searching for the equation of pure love equals perfect life, which doesn't exist.

Marquise—The marquise, in all its grandeur and magnificence (one of the largest looking shapes), is the crown jewel for divorce—even more so than the heart. Heck, at least the heart had good intentions. Marquise-wearers tend to be very concerned with first impressions, second impressions, all impressions. They are very goal-oriented and certainly believe that size matters. Marquise-wearers believe in division and being “better than.” There is the wrong side of the tracks and it's never the side they are on. A lot of socialites and wannabe socialites choose marquise because, when cut correctly, they look bigger than they really are. And that's where the problem is. Marquise-wearers, not all, but quite a few, spend the better part of their lives trying to be something or someone they are not. Success never lies in not being and loving who you are. For a marquise-wearer to survive, she must realize that regardless of how nice a package is, it always fades away—inner beauty doesn't.

Question #3: What actual carat size you have is irrelevant to how you perceive it. To some people, the one-carat diamond they have is puny. For others, it's the rock of Gibraltar. But that's the key here: not what you have, but how you perceive it. Is the glass half full or half empty? It appears that the happiest marriages tend to be those in which the engagement diamond is viewed as magnificent and substantial. The minute a woman finds fault in the rock, it's not long before she finds fault in the giver. Want to appreciate your diamond? Just think of the one out of three women who got married and didn't get one.

Question #4: If you had to write a list of all the things you want, how long a list would it be? Long? Short? How about a list of all the things you need? Long? Short? The three steps for creation are thought, word, and action. To get anything done, you have to think it, verbalize it, then take action. When you announce to the world that there are things you need, want, or expect, you cannot be whole till you get them. And if your brain perceives that it is without or not whole, it won't be happy. The key to any long-term happiness is not getting everything you want, but wanting everything you have. The longer you've had your diamond and the longer you appreciate it, the better your life and marriage will be. The diamond is a symbol of where you were and where you are going. To always embrace your past as you do your present will empower you to learn from your experiences and not repeat those events that no longer define who you are today.

Question #5: Well, I think this one is pretty self-explanatory. If the diamond is a symbol of two that have joined to become one, and one of you is not on the scene any more, chances are your rock means very little to you today.

Question #6: “To have and to hold” doesn’t necessarily equal “to love and to cherish.” I’ve lined up a hundred couples and asked them the condition of their marriage and relationship, and I found a direct correlation between clean rings and great marriages and filthy rings and relationships that are no longer connected or were drifting apart. Just a coincidence? Could be. Or maybe it’s that any good marriage takes work, care, and effort. Marriage isn’t easy. When a problem arises, a lot of people just let it go, thinking it will fix itself. It won’t. A clean ring will always get dirty unless you don’t allow it. A good marriage will do the same unless you work at it and keep the dust off.

Question #7: Fifty-four percent of women who receive an engagement ring say they would never get rid of their original engagement ring. They would keep it until they die. Forty-six percent, however, say that even though they have fond memories of their original engagement ring, they wouldn’t keep the first car they ever had, or first home they ever had! If something better comes along they will snatch it! That being said, here’s how the divorce bug attacks each group. Seventy-five percent in group one—“The I’ll keep it forever” folks—tend to stay married, while 80 percent in group two are splitsville.

Appendix F

Wedding Traditions

by *Julie Seitz*

Is there truly any actual reasoning that is involved in a woman's frantic search for something old, something new, something borrowed, and something blue? Have you ever seen a bride "freak out" because her guy accidentally caught a peak at her a few hours before the wedding? Not a pretty sight. But is there any factual basis to why this is a bad thing? I was curious, so I did some research. I was surprised by how important and, yes, necessary, many of these customs were at one time. Of course, some were silly then and are still silly today, but learning their origin will make you understand them in a more sensible way. But who are we kidding? The bride (zilla) is always right, and is under no obligation to be sensible.

Did you know that several of our wedding traditions are based on the concept of the bride being too ugly for the groom? I'm serious! Seeing the bride before the ceremony is considered bad luck because there was a time when marriages were completely arranged by the families. To keep the groom from backing out, he wasn't permitted to see the bride until the ceremony just in case he considered her unattractive. The custom of wearing a veil came about for same reason. But in this case, the groom wasn't allowed to see the bride's potentially ugly mug until he actually lifted the veil to kiss her. Cruel? Maybe. But necessary at the time.

Watching a groom remove his bride's garter at the reception is always fun. She's usually quite embarrassed, he's usually way too comfortable with the whole thing. Everyone gets a big kick out of it. What's the purpose? In certain parts of Europe in the 14th Century, it was considered to be good luck to come away from a wedding with a piece of the bride's clothing. Inebriated guests would destroy the poor bride's dress trying to get a scrap. So, over time, it evolved to the tossing of the garter, providing safety for the bride, but making the dispersion of luck more of a lottery. This same idea of protecting the bride is also why the bride has always stood to the groom's left. This was so the groom could have his right hand free to draw his sword against sudden attack. I guess this could still be considered a convenient concept. How else is the poor guy supposed to retrieve his cell phone from his right pocket on the first ring?

You've all heard, I'm sure, the term "to tie the knot." I always thought it referred to tying your lives together. It actually goes back to Roman times, when the women's girdles had many strings on them that were tied securely. Of course, the groom had the "duty" of untying the knots on the wedding night.

Stag parties have had the same meaning since they started. Stag parties, or bachelor parties as they are often called, are a farewell to bachelorhood and celebration of camaraderie between the groom and his friends. Although the reason has changed over the years, there has always been a shroud of mystery and secrecy when it comes to the bachelor party. It's a sort of unspoken rule that details of the party usually aren't revealed to women. I've heard rumors and hints, but after 14 years of marriage, I'm still not 100% sure what happened at my husband's bachelor party. I only know that he lost

his shoe and never did find it. Interesting. I think I feel an in-depth article on bachelor parties coming on.

Of course the bride has her own festivities to attend in the weeks leading up to her wedding. The first bridal shower is said to have come about from a Dutch folk tale in which well-meaning townspeople gave household items to a poor, newly married couple. The father of the bride disapproved of the union, so he had not provided a dowry. Anything goes today. Many bridal showers even become “bachelorette parties.”

Have you ever wondered where the word “honeymoon” came from? I have. I’ve even asked around. Not surprisingly, few people know the origin of the word or original meaning. Teutonic newlyweds drank wine made of honey and yeast from one full moon until the next full moon after they were married. I guess I should refer to my post-nuptial vacation as my “margaritamoon.”

Speaking of drinking, I found out in my research that the word “toast,” as in toasting the happy couple, actually comes from toasted bread. An old French custom is the source of this tradition. A piece of toasted bread was placed at the bottom of a glass filled with wine. After passing the glass around at the wedding, the bride would finish the wine, eat the wine-soaked bread at the bottom, thus receiving all of the good wishes of the guests.

Now to the tradition that most brides take very seriously. I know I did. Did I understand what the meaning of “something old, something new, something borrowed, something blue” was? No. But now I do. Something old signifies continuity. I had my Great

Grandmother's wedding band to wear on my little finger. Something new signifies optimism. This is the easy one. The dress is new, the rings are new, the shoes are new, you get the picture. Something borrowed signifies future happiness. A friend of mine borrowed her uncle's Ferrari to drive to the church. Hey, whatever works for you. Something blue signifies modesty, fidelity, and love. It's funny to me that most brides I've known have gone with the blue garter. The garter is removed in front of hundreds of people! Fidelity and love? Maybe. Modesty? I'm not sure.

There are enough stories about the origin of the customary white wedding dress to fill an entire page. But, I couldn't find a single story that had anything to do with wearing white only if you were "pure." It was mainly just a fashion trend credited to Ann of Brittany in 1499 and again by Queen Victoria in 1840. I did come across a great poem about the topic, however.

*Married in White, you have chosen right
Married in Grey, you will go far away,
Married in Black, you will wish yourself back,
Married in Red, you will wish yourself dead,
Married in Green, ashamed to be seen,
Married in Blue, you will always be true,
Married in Pearl, you will live in a whirl,
Married in Yellow, ashamed of your fellow,
Married in Brown, you will live in the town,
Married in Pink, you spirit will sink.*

—Author Unknown

When a girl wore a green dress, the implication was that she was of questionable morals and her dress was green from “rolling in the fields.”

There are many traditions, customs and superstitions that are not covered here. There are, simply, too many to mention. Depending on race, culture, religion, and geographic location, there are literally thousands of different particulars that brides must organize and prepare for her wedding. Some are silly, meaningless things that are done “just because it’s always been done.” Others have been passed down from generation to generation and, for whatever reason, have true meaning for the bride and her marriage. Do we have any conclusive answers to whether following wedding tradition will lead to a happy marriage? No. I do know, however, that I have never met a divorced person who told me that the reason for the split was that rice wasn’t thrown at the reception, or he didn’t carry her over the threshold, or cans weren’t tied to the bumper of their car. Not that I’m trivializing the value of these actions. In fact, it may be many little things combined that will make or break your wedding day. But remembering the “little things” AFTER that one day is what will make or break a marriage in my opinion. Rice may or may not have been thrown at the reception, but taking the time to throw your arm around each other for no reason...now that’s important. He may or may not have carried her over the threshold, but has he ever carried the groceries in from the car without being asked? I don’t feel that I missed anything by not having cans tied to the bumper of my car on my wedding day. Seeing my husband teach my son to tie his shoes for the first time, however, I wouldn’t have missed for the world.

Wedding Traditions: A Quick Reference Guide	
Bachelor Party	A party given for the groom to say goodbye to his bachelorhood and celebrate the camaraderie between him and his friends.
Bad Luck for Groom to See Bride Before Ceremony	This came about as a means to keep a groom from backing out of an arranged marriage to an unattractive woman.
Bouquet Toss, Garter Toss	In the 14th century, it was thought to bring luck to have a piece of the bride's clothing. To prevent the bride from harm, brides began throwing their garter. That later evolved into the groom throwing the garter and the bride throwing her bouquet.
Breaking the Wine Glass	The Jewish tradition of the groom stomping on a wine glass at the conclusion of the ceremony signifies the fragility of the relationship and also the irrevocable act of breaking something. "Mazel Tov!"
Bridal Party	This tradition has many different origins depending on culture. The groom would use the help of his "bridesmen" to capture or escort his bride from her village. They were also responsible for getting the bride to the wedding and to the groom's home after the ceremony. The women who assisted the bride were called her "brideswomen."
Bridal Shower	Dating back to the 1800s, a bride receives gifts from her friends to prepare her for marriage.
Bride Standing on Groom's Left	This goes back to ancient times, when the groom would need to keep his right hand free to draw his sword against sudden attack.

Carrying the Bride Over the Threshold	It is considered very bad luck for the new bride to trip and fall upon entering her new home for the first time. To eliminate the risk, the groom traditionally carries her through the door.
Engagement Ring	Pope Nicholas I decreed the engagement ring a required symbol of intent to marry. The Diamond became popular because of its long-lasting and enduring qualities.
Flowers	The practice of matching the groom's boutonniere to the bride's bouquet goes back to medieval times when knights would match the colors of their lady in tournaments.
Honeymoon	Teutonic newlyweds would drink wine made of honey and yeast from one full moon to the next immediately following their wedding.
Kissing	The kiss between the bride and groom dates back to the earliest days of civilization. A kiss has almost always been used as a legal seal for contracts and agreements, thus the obvious use of the kiss for the end of a wedding ceremony.
Money Dance	The money dance that many people see at wedding receptions has its roots in dozens of cultures around the world. Basically, guests pay the groom money for the privilege of dancing with his bride. The money is then used for the honeymoon.
Ring Finger	Greek belief was that the third finger was connected directly to the heart by a vein they called "the vein of love."

Something Old, Something New, Something Borrowed, Something Blue	Old signifies continuity, new signifies optimism, borrowed reflects future happiness, and blue is a sign of modesty, fidelity, and love.
Throwing Rice	This is a symbol of fertility and also a wish for the couple to always have a full pantry. Note: birdseed is often used as an alternative that is nature-friendly.
Tie the Knot	This dates back to Roman times when the bride would wear a girdle tied in little knots.
Toasting the Bride and Groom	Originates from the 16th century. A small piece of toasted bread was placed in the bottom of a glass of wine. Guests would pass the glass until it reached the bride, who would drink the last drink, eat the bread, and receive the good wishes of the guests.
Tying Cans or Shoes to the Car	In England during the Tudor period, shoes were thrown at the carriage as a sign of luck. Eventually it became more common to just tie the shoes to the vehicle. Today, it's usually tin cans that are used.
Veils	Veils were originally worn to keep the groom from seeing his bride until he lifted the veil to kiss her in case she was unattractive. In Roman times, veils were also thought to ward off evil spirits.
Vows	Vows are spoken promises between the groom and his bride in front of witnesses. Today, many religions and cultures allow and encourage the bride and groom to write their own vows.

Wedding	The Anglo-Saxon word “wedd” refers to the promise of a man to marry a certain woman, but it also refers to the money or land, or social status to be paid to the woman’s family for her hand.
Wedding Bells	Like many wedding customs, bells are rung to protect the couple from misfortune.
Wedding Cake	In the 1st century, cake was thrown at the bride for fertility. It is considered very good luck to all who eat wedding cake.
Wedding Ring	Ancient belief was that the ring was protection against evil spirits. Early Rome is the source of our modern symbolism of love and commitment.
White Wedding Dress	A fashion trend credited to Ann of Brittany in 1499 and again to Queen Victoria in 1840.

Appendix G

One Guy's Opinion

My job is to talk about diamonds. How to get a good one, how not to get ripped off, how to get the most for your money. But I'm seeing a society where the "truth" belongs to the one who can tell the best story, not the one based on the facts.

For example, every year five thousand people are indicted, convicted, and sentenced for a whole list of horrific crimes. From petty theft, to rape, assault, and even murder. What is even more horrific is that all these crimes hold three special things in common; the men and women that are convicted were primarily incarcerated on eyewitness testimony, spend an average of ten years in prison, and all of these criminals are eventually set free because they are later proven to be innocent. How must it feel to spend a decade of your life telling the whole world you didn't do it, to lose your family, friends, and livelihood all based on what someone else believes they see. As it turns out magicians knew it a long time ago. The hand is quicker than the eye. The eye can be fooled! It happens every day. In our streets, and in automobile showrooms with tires we're told are safe enough to drive our families around on. Now, I'm not here to talk about how our justice system is broken or about slick car salesman who try to sell us the virtues of undercoating and who roll back odometers to give us the perception of more value. For me, it's still about diamonds.

“Seeing is believing,” you might say. But does believing constitute the truth? Does it constitute a fact? Well, try this on for size. For the last few years the diamond industry has been fighting the Federal Trade Commission (FTC) so they will not have to disclose laser-drilled diamonds. The industry felt it was an insult. For starters, to require disclosure of a treatment that alters the value or durability by changing the FTC guidelines would be paramount to announcing to the world that jewelers are dishonest. Jewelers can’t be trusted to tell the truth. For God’s sake, the industry can police itself. But, every year over five thousand complaints are registered at the Better Business Bureau, the FTC, and Jewelers Vigilante Committees. People were and are buying diamonds every day based on who has the best story to tell, and a constant reminder “See for yourself, isn’t it a beautiful diamond?” Even in the casinos with no clocks and free liquor you know what your odds are. But in a jewelry store with its hundred canned spotlights, lab grading documents, and very good stories, we lay our money down. Is it worth it? It must be, it’s an AGS000. Is it worth it? It must be, it’s GIA graded. Is it worth it? It must be, it’s 100 percent natural. Is it worth it? It must be, just look how pretty it is. And that is where they get you. That is where they set the hook. Then to reel you in, the jeweler says, “How can you put a price on something that lasts forever?” The love card. So you forget about the months or years it took you to save your money or the loan you have to take out or even the VISA you’re going to max out at a 22 percent interest rate, because how can you put a price on love? The illusion is complete. Like the frog that turns into the handsome prince. The rock becomes the magical diamond. Seeing is believing, or maybe better said, believing is seeing. That’s where any good salesman will get

you. Recently, the FTC changed their guidelines and made it mandatory to disclose laser-drilled diamonds, or for that matter any form of treatment that would give you the impression that something is better or more valuable than what it is. Let me ask you this: if five thousand men and women are convicted for crimes they didn't commit, and if there are over five thousand complaints each year about non-disclosure in treatments, how many people are still in jail that are innocent, and how many worthless diamonds are on the fingers of our loved ones?

Here's one more thing to chew on. It has just been announced (to the jewelry industry, not the public of course) that a company by the name of 3-Beams Technology (a separate division of Norsam) has created a process called Focus Ion Beam Technology (FIB for short). Apparently taking ideas from Los Alamos National Laboratory, FIB instruments can focus a beam of ions down to a diameter of 7 nanometers (that's .000007 millimeters, or .00000028 inches). Using this technology they can drill a diamond to remove carbon leaving a drill hole 1/1000th the size of the current technology. According to 3-Beams's CEO, Jayant Neogi, with a special modification a gas can be injected into the void which will solidify, making the drill hole practically invisible.

FTC makes a law that treatments must be disclosed, then the industry we were supposed to trust announces a new way not to get caught.

What's the moral of this story? Seeing is not believing. Take everything with a grain of salt, and please cut the deck before you're dealt a hand.

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FTC *see* Federal Trade Commission

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About the Author

Fred Cuellar, the founder and president of Diamond Cutters International, is one of the world's top diamond experts. Diamond Cutters International (DCI) is one of America's few diamond houses open to the public by appointment only. He is an importer and creative designer of jewelry. His clients include First Lady and President George W. Bush, the Saudi Royal Family, hundreds of professional athletes and various celebrities—including Oprah. Mr. Cuellar is accredited in diamonds and colored stones by the Gemological Institute of America and is ranked as one of the top diamond experts in America by *National Jeweler*. He is also the author of *How To Buy A Diamond*, the #1 selling book on diamonds in the world.

Career Highlights:

- Ranked as the #1 diamond expert by Google.
 - Consulted by *The Guardian* regarding the world's largest diamond discovery.
 - Diamond expert to the *Wall Street Journal*; *Chicago Tribune*; *USA Today*; *Kiplinger's*, *Modern Bride*, *Maxim*, *Men's Health*, *Women's Health*, *ESPN*, *Money*, *In Style*, *Glamour*, and *Woman's Day* magazines; and Sony Pictures.
 - Author of the #1 selling book on diamonds in the country, *How To Buy A Diamond*, as well as critically acclaimed books *Diamonds For Profit* and national bestseller *World's Greatest Proposals*.
-

- *How To Buy A Diamond* and its National Diamond Helpline is endorsed by the National Bureau of Fraud Prevention in Washington, DC.
- *How To Buy A Diamond* is featured by The Smithsonian Institute.
- Most acknowledged jeweler in the *Guinness Book of World Records 2000 Millennium Edition*.
- Official diamond expert to America-On-Line's the knot.com and The Wedding Network.
- Official diamond expert to the Wedding Pages (America's #1 Wedding Source) and columnist for 29 of their magazines.
- Has been featured, discussed, and/or guest expert on the *Tyra Banks Show*, *Montel Williams Show*, *The Today Show*, *The Tonight Show with Jay Leno*, *CBS Morning News*, *Donabue*, *Fox News*, *CNN*, *ESPN*, as well as over 500 other news and talk shows.
- 2007 Entrepreneur Of The Year Finalist.
- Runner up "Power Player of the Week" for *Fox News Sunday with Chris Matthews*.
- Diamond advisor to MSNBC.
- Diamond advisor to Standard & Poor's.
- Diamond advisor to *60 Minutes*.
- Diamond advisor to *Saturday Night Live*.
- Diamond expert to NBC Universal.
- Diamond expert to The Fine Living Channel.
- Spokesperson for Korbel Champagne, 2003.
- Has been featured and discussed in *GQ*, *People*, *Self*, *FHM*, *Cosmopolitan*, and *Men's Health* magazines; *US Weekly*; *Newsweek*; *Washington Post*; *Chicago Tribune*; *L.A. Times*; *Dallas Morning News*; as well as over 100 other magazines and newspapers.
- Inventor of the Interlocking Diamond Bezel, Interlocking Diamond Logo, Interlocking Logo Trophy, Gem Sculptured Logo, Tight Knit Pave, and Bullet Train Frame.

- Created the 2006 and 2007 MLS Championship rings for the Houston Dynamo.
- Designed the 2001 Super Bowl Championship rings for the Baltimore Ravens.
- Created the 2001 NHL Stanley Cup Championship rings for the Colorado Avalanche.
- Created the 2000 NHL Stanley Cup Championship rings for the New Jersey Devils.
- Created the 1999 New York Yankees 25th Championship Players World Series rings.
- Created the 1999 NHL Stanley Cup Championship rings for the Dallas Stars.
- Created the 1998 and 1997 NHL Stanley Cup Championship rings for the Detroit Redwings.
- Created the 1998 Super Bowl Championship replacement rings for the Denver Broncos.
- Created the 1997 Super Bowl Championship rings for the Denver Broncos.
- Created the 1995 Super Bowl Championship rings for the Dallas Cowboys.
- Created the World's Greatest Athlete Ring for Olympic Gold Medalist Dan O'Brien.
- Created the Stanley Cup Championship rings for the New Jersey Devils in 1995 and the Colorado Avalanche in 1996.
- Created the "Million Dollar Puck" for the Houston Aeros made of platinum, diamonds, and emeralds.
- Created the International Hockey League Championship rings for the back-to-back champion Utah Grizzlies and was the first American chosen to create the Canadian Football League Championship rings for the 1995 champion Baltimore Stallions.

- Created Cal Ripkin's commemorative ring for breaking Lou Gehrig's record of consecutive Major League Baseball games (2,131).
- Created the first ever baseball bracelet for the Houston Astros, made of mini ruby and diamond baseballs.
- Created the 2 million dollar "Super Pizza" consisting of over 600 carats of diamonds and colored stones in 5 pounds of gold for Little Caesars Pizza.
- Creator of the \$200,000 "Gem Prowler" in conjunction with Chrysler Plymouth.
- Created the "world's most expensive toy," The Rubik's Cube Masterpiece—a full size, fully working Rubik's Cube covered with 185 carats of precious gems.
- Created the "Harley of Gold," a gold and diamond scale replica of a Harley-Davidson motorcycle.
- Created Playboy's Millennium Playmate Pendant.

Community Service

- Board of Directors, *Variety*, the Children's Charity of Houston.
- Summer Jobs Programs for Young Adults.
- Junior Achievement, teaching economics at St. Michael's Catholic School and Lee High School.
- Recognized by Education Excellence in America in teaching the children the fundamental "Rules for Life" for Junior Achievement.
- Volunteer at Halfway Houses for Boys setting up rehabilitation through leadership programs.

Other Books by the Author

The World's Greatest Proposals

In a recent internet contest, Fred Cuellar (a.k.a. “The Diamond Guy”) offered a beautiful, sparkling diamond in return for the most hilarious, creative, or inspirational proposal story. As a result, he received thousands of wonderful engagement stories and has collected the best here in *The World's Greatest Proposals*. A perfect shower gift, this beautiful little book will bring tears of joy, love, and laughter to everyone who knows what it means to find the love of their life.

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Fredisms is the culmination of a personal life experience which you will be intrigued to discover as you read the Fredism on each page of this uniquely formatted book. Mr. Cuellar touches upon subjects of interest to us all, such as attitudes, health, humor, relationships, God, philosophy, and many others, in a way which will endear the book to a wide variety of readers. It will make a great gift for almost anyone and is easy to read. In fact, you will probably find yourself repeating your most favored Fredism to family and friends before long!

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- Insuring and caring for your diamond
- Picking the right jeweler
- Jewelers' tricks of the trade
- Wholesalers' secret pricing charts!

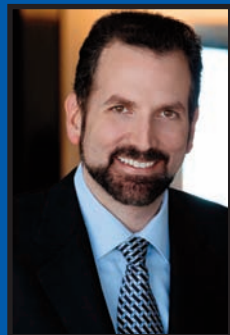


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Fred Cuellar is one of the world's top diamond experts, as well as a three-time *Guinness Book* record holder in jewelry design. He is an importer, diamond cutter, and jewelry designer committed to simplifying the diamond buying process for consumers. His clients have included the Dallas Cowboys, the Detroit Red Wings, the Saudi Royal Family, and hundreds of professional athletes and celebrities.